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NATO Troops in Bosnia Seize Serb TV Facilities

Karadzic Supporters Lose Transmitters After Assailing UN War Crimes Tribunal

By Chris Hedges
New York Times Service

BANJA LUKA, Bosnia-Herzegovina — NATO-led peacekeepers, following a refusal by Bosnian Serb television to end criticism of international organizations working to restore peace in Bosnia, moved Wednesday to seize four television transmitters controlled by hard-line forces loyal to Radovan Karadzic, who has been indicted for war crimes.

Troops from several NATO countries, joined by others serving in the peace force, surrounded the transmitters in the Serbian-controlled half of Bosnia.

The move came in reaction to broadcasts Sunday night suggesting that the United Nations war crimes tribunal in The Hague was anti-Serb.

There had been repeated warnings to the Bosnian Serbs to end propaganda broadcasts.

The seizure of the transmitters does not mean that Serb Radio and Television, which is directly controlled by Mr. Karadzic, would be taken off the air, according to international officials.

The officials said it would be "restructured" to present a more balanced view of events and would eventually share time with the studio controlled by Mr. Karadzic's political rival in Banja Luka, the Bosnian Serbs' president, Biljana Plavsic.

Mrs. Plavsic is locked in a power struggle with the hard-liners in the town of Pale whom she accuses of widespread corruption.

General Wesley Clark, the supreme commander of NATO, said in Maastricht, Netherlands, that broadcasts would soon resume — but under "new management."

The American general said the transmitters would be turned over, for the time being, to Mrs. Plavsic's supporters.

"As of yet, nothing has been done to influence the signal sent out from Pale," said Duncan Bullivant, spokesman for the Office of the High Representative, the chief civilian international agency in Bosnia.

"We are in the position where we can do what we want with transmitter sites. What we would like to see are responsible broadcasts from Banja Luka and Pale competing together in the time running up to the next elections. We are not trying to rub Pale Television off the face of earth, but are looking at a more robust approach to influencing its editorial approach."

The operation differed markedly from a bungled attempt at the end of August by U.S. troops to seize a transmitter on Mount Kozora near the Bosnian Serb town of Prijedor. In that operation, the Americans had to withdraw after crowds of pro-Karadzic supporters, many of them policemen in civilian clothes, collected at the site and attacked the soldiers with clubs and stones.

The withdrawal, along with the withdrawal by U.S. troops from police sta-

See BOSNIA, Page 6

Sarajevo culture is reborn. Page 20.

Agence France-Presse
Sheikh Ahmed Yassin, long a committed and deadly enemy of Israel.

Israelis Free Deadly Foe From Jail

Ailing Hamas Chief Is Flown to Jordan In Mysterious Move

By Barton Gellman
Washington Post Service

JERUSALEM — In a predawn helicopter flight from a maximum security prison, Israel unexpectedly sent the ailing founder of the Hamas Islamic movement to a hero's welcome in Jordan on Wednesday.

Jordanian and Palestinian officials, in comments met with conspicuous silence in Israel, described the sudden pardon and liberation of Sheikh Ahmed Yassin as an Israeli effort at damage control after a botched assassination attempt in Jordan last week.

The Israeli Army put out a brief statement at 4 A.M. citing only the sheikh's failing health and a request from King Hussein of Jordan "positive steps which will help the peace process."

Israeli officials uniformly declined to elaborate.

The release of one of Israel's mortal enemies, who has renounced neither the Palestinian claim to all of Israel nor the use of violence to obtain it, had more than a little mystery about it.

The drama came at the collision of multiple political weaknesses among Palestinian, Israeli and Jordanian leaders, all of whom have mutual rivalries and relationships with Hamas that are troubled at best.

The Palestinian leader, Yasser Arafat, who has struggled with Hamas for political dominance but adopted the imprisoned Sheikh Yassin as a national symbol, was embarrassed by Israel's decision to bypass him and fly the Gaza-born cleric to Jordan.

Prime Minister Benjamin Netanyahu, mere weeks after the last Hamas suicide bombing in Jerusalem, felt obliged for the second time this year to abandon a long-held Israeli criminal claim against a senior leader of the Islamic Resistance Movement. The greater political need,

See SHEIKH, Page 6

France Tells NATO It Will Not Rejoin

PARIS — France told NATO on Wednesday that its officers would not rejoin the alliance's military structure because the United States was not ready to let a European take over the southern command. Page 5.

Philippe Wojazer/Reuters
DIRTY AIR — A man walking his bicycle across an unusually deserted street leading to the Arc de Triomphe on Wednesday, when a smog alert banned many private vehicles from the city. Page 5.

Alternative Education Is Flourishing in U.S.

Increasingly, Parents Reject Public Schools

By Rene Sanchez
Washington Post Service

WASHINGTON — In a movement that is flustering educators, more parents than ever are choosing alternatives to public education for their children, to such an extent that what once seemed to be a fad is now starting to resemble a revolution.

Charter schools that are approved by the state but are outside the public school system are expanding at a breakneck pace. Religious schools are overflowing with new students. Home schooling is attracting unprecedented numbers of parents who only a few years ago would never have dreamed of teaching their own children.

Those migrating from public education say the roots of their disenchantment vary. Some parents are frustrated with bureaucracy, others fear student violence. Some want their children to spend more time learning values, others call the one-size-fits-all model of most large public schools an ineffective and impersonal way to learn.

Not long ago, many public school officials scoffed at the growth of other options in education. But those trends have begun to send a powerful message to public schools.

In Michigan this fall, public schools that have lost hundreds of students to new charter schools, which get taxpayer money but set their own teaching rules, have responded by creating all-day kindergarten classes and new enrichment programs for students to compete with alternative schools.

In Arizona, which has more charter schools than any other state, one large public school district, in Mesa, has gone as far as placing full-page advertisements in local newspapers to win back parents. "We can't assume anymore that everyone is just going to come to our schools," said Judy Willis, the district's director of community relations.

Some of the story can be told in numbers: In 1992, there was one charter school in the nation. Today, there are more than 800. The Clinton administration intends to spend $100 million to help develop as many as 3,000 of them by 2000.

Home schooling is also flourishing.

See SCHOOLS, Page 6

A $30 Billion Bid By WorldCom To Take Over MCI

Surprise Offer Aims to Make Mississippi Firm 2d to AT&T

By Mitchell Martin
International Herald Tribune

NEW YORK — WorldCom Inc., the fourth-biggest U.S. long-distance company, made a surprise takeover bid worth about $30 billion for MCI Communications Corp. on Wednesday in what would be the largest-ever U.S. acquisition.

The offer from WorldCom, a little-known but aggressively growing Mississippi company, could derail an earlier offer from British Telecommunications PLC and rank WorldCom behind only AT&T Corp. in the U.S. telephone market.

Bernard Ebbers, the acquisitive WorldCom president and chief executive, said he hoped that British Telecom would give up its attempt to buy MCI, in which it has had a 20 percent stake since 1993, and would instead work with the merged American companies.

British Telecom did not respond to the WorldCom offer and MCI said only that it would study it "in due course." But the bid seems to offer the companies a graceful way out of a troubled deal. Analysts were skeptical that BT, whose stock rose sharply on Wednesday, would keep up its pursuit of MCI. (Page 11)

"BT's share price is saying that investors regard this as a good thing because they believe BT is better off without MCI," said Chris Tucker, an analyst at Paribas Ltd.

James McCafferty, an analyst at ABN AMRO Hoare Govett, said: "I think BT walks away from the transaction. It's very unlikely they'd get shareholder support to raise their proposal."

WorldCom's $41.50-a-share bid is 41 percent more than MCI's closing price Tuesday and tops BT's $32.73-a-share revised offer of five weeks ago.

WorldCom has been on an acquisition rampage in recent months. Along with the MCI offer, it announced on Wednesday a $2.4 billion takeover of Brooks Fiber Properties Inc., which has fiber telecommunications networks in 44 U.S. cities.

Earlier this month, WorldCom engineered a three-way transaction in which it would buy CompuServe Corp. for $1.2 billion, turning that company's on-line service over to its larger rival, America Online Inc. WorldCom would emerge from the deal with the communications networks of both companies.

And last year, WorldCom bought MFS Communications for $14 billion, getting hold of the big Internet service provider, UUNet Technologies.

The spending binge reflects Mr. Ebbers's philosophy that "this world is going to end up with a limited number of successful international players."

He added, however, that WorldCom did not have any further acquisition candidates at this time.

A WorldCom-MCI combination would have more than $30 billion in revenue a year. AT&T had $52.2 billion in sales last year, and Sprint Corp., the third-biggest phone concern, had $14 billion.

WorldCom's muscular stock is a key to its latest offer. Although a WorldCom-MCI merger would be the largest U.S. takeover on record, outstripping the $26.4 billion acquisition of RJR

See DEAL, Page 6

Jeff Christensen/Reuters
Bernard Ebbers of WorldCom Inc. making a point at a New York news conference Wednesday as he explained his company's bid for MCI.

Japan Reports More Gloom and Doom for Economy

By Sandra Sugawara
Washington Post Service

TOKYO — Business confidence here has plummeted, consumer confidence has taken a nosedive, the approval rating for Prime Minister Ryutaro Hashimoto has fallen sharply and Japan's trade surplus is not going to decline soon.

That's the news from the Bank of Japan, which on Tuesday made public its quarterly survey of business confidence, and from several other recently published statistics and polls.

The central bank's survey found that business people, ranging from large manufacturers to small service companies, had grown increasingly pessimistic about their business prospects. Other government reports made public Tuesday found that such key indicators as housing starts, industrial production and retail sales fell in August.

Earlier statistics revealed that Japan's economy shrank 2.9 percent during the April-June period, its worst performance in 23 years.

The bad news for trading partners is that the numbers illustrate that Japan's only engine of growth is exports and that efforts to limit exports dramatically could push the country into a recession.

Other bad news is that Mr. Hashimoto's unsuccessful recent attempt to appoint a politician convicted of taking bribes to his cabinet has hurt his popularity ratings. That has raised concerns about his ability to win legislative support for his deregulation efforts, which U.S. officials see as vital to opening Japanese

U.S. accuses South Korea, Japan, Canada, the EU and Australia of unfair trade practices. Page 12.

See JAPAN, Page 6

Italy Budget Bill Sows Chaos

Communist Party Balks at Further Welfare Cuts

By Celestine Bohlen
New York Times Service

ROME — Just as Italy was beginning to enjoy an unaccustomed reputation for fiscal responsibility and political stability, the Italian government was thrown into crisis Wednesday by a small party of hard-line Communists balking at further cuts in the welfare state.

By announcing that it would oppose a pending budget bill, the Refounded Communist Party — which won 8 percent of the vote in last year's national elections — opened a gaping hole in the center-left government's parliamentary majority, and left Prime Minister Romano Prodi with no choice but to declare a crisis.

The drama, which was called the "craziest in the world" by one Italian newspaper, now moves to the Parliament where Mr. Prodi has to try to win support for his struggling government. If he fails, President Oscar Luigi Scalfaro could appoint a technical government, or even declare new elections — an outcome many think could seriously damage Italy's efforts to put stability into its political system and join Europe's pending single currency.

"If we have a government crisis now, that will ruin our chances to be in the first wave of countries in the common currency," said Lucio Caracciolo, editor of Limes, a monthly political science journal.

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Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12800 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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AGENDA

Space Walkers Prepare for Mir Repairs

HOUSTON (AFP) — The U.S. astronaut Scott Parazynski and the Russian cosmonaut Vladimir Titov embarked on a five-hour space walk from the space shuttle Atlantis on Wednesday to store equipment on the outside of the space station Mir that could be used to repair the damaged Spektr module.

The module was punctured in June during a collision between Mir and a cargo ship. The equipment — a cap that could be used to seal the hole in Spektr — will be ready for use when the Mir crew finds the puncture.

More Deals for Iran?

Elf Aquitaine SA indicated Wednesday that it was seeking petroleum contracts with Iran and Iraq, after another French company's deal with Tehran threatened to spark a U.S.-European trade conflict. Elf said it was pursuing oil exploration and production deals with both countries, but only in compliance with UN sanctions against Iraq. Page 2.

The Dollar

New York	Wednesday @ 3 P.M.	previous close
DM	1.7735	1.7601
Pound	1.6159	1.619
Yen	120.885	120.375
FF	5.959	5.9084

The Dow

change	Wednesday @ 3 P.M.	previous close
+25.79	7971.05	7945.26

S&P 500

change	Wednesday @ 3 P.M.	previous close
+2.74	950.02	947.28

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Brazil's Pop Catholicism

Church Presents New Face for John Paul's Visit

By Anthony Faiola
Washington Post Service

RIO DE JANEIRO — On the sultry shores of Ipanema Beach, the priest is getting funky, rapping in Portuguese on a huge stage with twin bodybuilders in black sunglasses as 5,000 teenagers in bikinis and tank tops bop and scream as if they had just witnessed the resurrection of Kurt Cobain.

"Since God is Brazilian, then the Pope must really be from Rio de Janeiro!" Father Zeca, 27, the surfer dude/priest yells at the top of his lungs. The youths cheer, going wild at the reference to a popular local saying about Pope John Paul II, who arrives in Rio on Thursday for a four-day visit.

"We're here to bring them back to the faith," Pastor Jose Luiz Jansen de Mello Neto, stage-named Father Zeca, said in an interview before a Roman Catholic rock concert Sunday to mark the Pope's visit. The pastor's antics have made him a local celebrity.

"We're finally giving the people the emotion they want, and in the way they want to hear it," Father Zeca said. "We are moving into the future. Because we have to."

Father Zeca, dark shades, surfboard and all, is an extreme example of the Roman Catholic Church's new crusade in Latin America, to proselytize in modern ways in the face of growth of evangelical Christianity.

To fight the spread of evangelism, experts say, the Catholic Church has been forced to do something historically difficult: change.

Now, it is using some of the same tactics employed by the evangelicals themselves. The thousands of Catholics leading the movement here, dubbed the "new missionaries," range from the likes of Father Zeca, to the hosts of pirate radio stations in the shantytowns, to moderators of new Catholic television talk shows, to a lay army of church representatives who go knocking door to door to spread the Gospel in a manner

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صكزا من الأصل

Trailing T-Rex to Sotheby's/ **A Fossil Named Sue**

South Dakotans Want a Dinosaur Back

By Karen Lowe
Agence France-Presse

SPEARFISH, South Dakota — When the Tyrannosaurus Rex fossil named "Sue" goes on the Sotheby's auction block on Saturday, a group of South Dakotans will be bidding so they can bring her home.

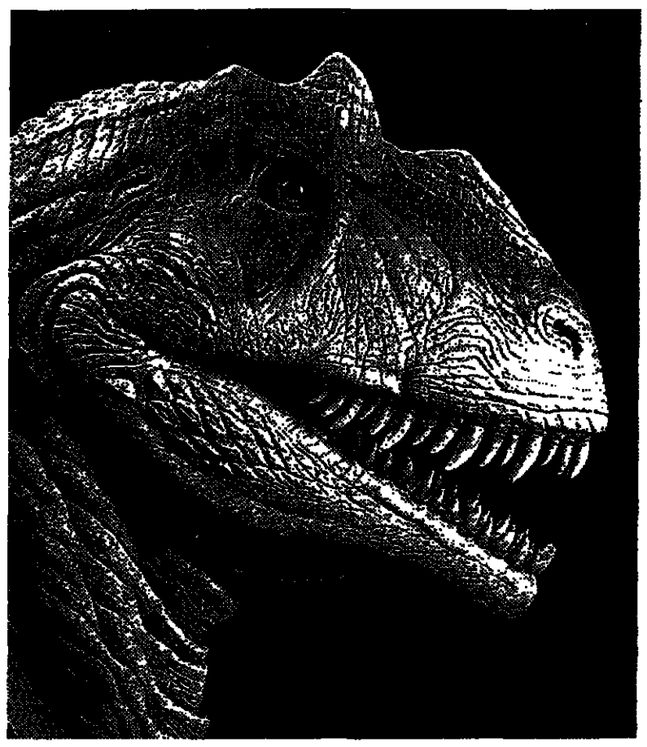
The fossil, considered to be the most complete ever discovered, is expected to fetch $1 million or more when it goes up for sale Oct. 4 in New York City, far from the Great Plains where the dinosaur once roamed.

"She belongs to South Dakota," said Governor William Janklow. "She lived and died here, and we want her back."

"Our children," he added, "write letters to her. It would be a blow to all of us if she were to go anywhere else."

Among the bidders for one of the world's most celebrated fossils will be a contingent of South Dakotans with an undisclosed sum of money. The bidding for the 65-million-year-old fossil is expected to take three minutes.

Sue Henderickson, an archeologist, found the fossil of the T-rex in 1990. Believed to be a female, it was dubbed Sue. For the next six years, the fossil was the center of a legal battle over its ownership.



MS. HENDERICKSON was working for the Black Hills Institute of Geological Research, which has prepared fossils for the Smithsonian and other world class museums, when she unearthed the dinosaur bones near Hill City.

After a lengthy court battle, it was determined that the dinosaur fossil was "real estate" and belonged to a rancher, Maurice Williams.

The fossil was put up for sale by the U.S. government, which has been holding it in trust for Mr. Williams, an American Indian who is a member of the Cheyenne River Sioux tribe and lives in Faith, South Dakota.

Mayor Drew Vitter of Hill City is still smarting over the loss of Sue to Mr. Williams, who he said had a "handshake deal" to give the bones to the Black Hills Institute for $5,000.

Mr. Williams said when the president of the institute, Peter Larson, gave him the $5,000 check he thought it was compensation for tearing up his land, and he told Mr. Larson to negotiate with the government for the fossil.

His tribe also went to court to get the fossil, but lost out, said Mr. Williams, who noted that after six years of legal wrangling, "I don't give a damn who buys it."

But, tantalizingly, he said he was "sure" that there was another fossil on his land. "There is a big bone sticking out," he said. "And there is a great big butte there, and I'm just sure it's full of fossils."

Tyrannosaurus Rex specimens have been found in various parts of North America, but Sue, which measures between 12 and 15 meters, is 90 percent complete and is in a near-pristine state of preservation.

The specimen also offers extraordinary evidence of life-threatening injuries, including a healed fracture to one leg, a tooth fragment from a rival Tyrannosaurus Rex, and a gouge on the side of the skull.

SENTIMENTS were running high in 1992, Mr. Vitter said, when 25 National Guard troops and 12 Federal Bureau of Investigation armed agents arrived to haul Sue away.

"Some people wanted to physically block the agents with logging trucks," Mr. Vitter recalled. "There could have been a mess of trouble when the government came and took her away.

"I didn't think it was worth spilling blood over some dinosaur bones," said Mr. Vitter, who advised against taking action. "Still, there were some bitter feelings for a long time between the citizens and the government."

The agents packed Sue up in 130 crates and cartons and took her to the South Dakota School of Mines in Rapid City before she was shipped to Sotheby's last October.

Marion Zenker, a board member of the Black Hills Institute, expressed concern that the Sue could fall into private hands and be kept from public view.

"When she was here, she was available for everyone to see," Ms. Zenker said. "But for the past four or five years, she has been locked up so no one could see her."

Bowing to Congo, UN Recalls Massacre Team

Kabila Demanded Their Withdrawal After Keeping Them in Capital for Weeks

Agence France-Presse

UNITED NATIONS, New York — The United Nations secretary-general, Kofi Annan, is recalling a human rights investigative team from Kinshasa for consultations, a UN spokesman, Fred Eckhard, announced here Wednesday.

Mr. Annan was informing the Congolese foreign minister, Bizima Karaha, of the decision "taken this morning to withdraw the investigative team on human rights for consultations pending final clarification of the policy of the Democratic Republic of Congo."

The three-man team — Atsu Koffi Amega, a Togolese jurist who leads the investigation; Reed Brody of the United States, and Andrew Chigovera of Zimbabwe — are backed by 21 forensic and other experts.

■ Kabila Assails the Panel

Earlier, Lynne Duke of The Washington Post reported from Goma, Congo:

President Laurent Kabila announced Tuesday that he wanted the UN investigators who were sent to investigate alleged massacres to leave Congo.

Mr. Kabila said in Lusaka, Zambia, that he would ask Mr. Annan to withdraw the team, which has languished in Kinshasa for five weeks.

Although the investigators' failure to leave the Congolese capital has been due principally to refusals by Mr. Kabila's government to grant access to suspected massacre sites, Reuters news service quoted the president as having said that they had failed to establish that any massacres had occurred and were misleading the international community.

"These investigators are just issuing statements from posh hotels in Kinshasa," he charged. "They have failed to go to these areas to prove that the massacres took place."

The UN team was sent to investigate reports that Mr. Kabila's rebels — who toppled the dictator Mobutu Sese Seko with help from Rwanda, Angola and Uganda — massacred Rwandan Hutu refugees during the rebels' seven-month sweep across Congo.

While many of the Hutu allegedly killed by the Tutsi-dominated rebel force were said to have participated in the 1994 slaughter of more than a half million Tutsi in Rwanda, women and children also died at the rebels' hands, witnesses, survivors and human rights workers said.

After first agreeing in June to permit an investigation of the massacre allegations to proceed, Mr. Kabila and his government obstructed the investigators and branded the United Nations' handling of it an affront to Congolese sovereignty. Those arguments, human rights activists said, have been used as a stalling tactic while the evidence of massacres was destroyed.

Reports from human rights and intelligence sources say that massacre sites have been cleaned up, bodies have been exhumed from mass graves and burned, and witnesses are being intimidated or jailed. The United States and the European Union have warned Congo repeatedly that much-needed foreign aid was contingent on its behavior toward the investigation.

A senior U.S. official said that Secretary of State Madeleine Albright met Tuesday with Mr. Karaha and made it plain that the United States would not extend aid to Congo unless the UN team was allowed to investigate.

But while international pressure was brought to bear on Mr. Kabila's nearly five-month-old government, the investigation also developed into a diplomatic hot potato for the United Nations and several global powers.

International indifference, inaction or complicity at several key junctures in Central Africa's troubled recent history, such as the 1994 genocide in Rwanda and the subsequent exodus of refugees into eastern Congo, may have compounded the region's carnage, human rights activists said.

In the contest with Mr. Kabila, at stake for the United Nations is its credibility as a protector of human rights; at stake for Congo is international acceptance, as well as the aid and investment needed for rebuilding after more than three decades of corrupt rule under Mr. Mobutu. The rebellion ousted him in May and he died in exile last month.

Mr. Kabila's government has attempted to cast the United Nations as a hypocritical organization that did not act to save the Rwandan refugees when it had a chance. In addition, Congolese officials have said that if innocent people were killed during the rebellion, they died as a result of battle, not massacres.

But the UN investigators contend that evidence gathered by several sources strongly indicated that Mr. Kabila's rebels — whose fighting core consisted largely of ethnic Tutsi from Congo and Rwanda — routinely massacred innocent Hutu men, women and children.

"You've got two organizations that don't like each other," a Western diplomat said. "The Congolese don't like the UN; the Rwandans don't like the UN. And the UN probably richly reciprocates that feeling, because they see the Congolese as people who don't accept their authority."

The outcry over the reported massacres led to the formation of the UN investigating team, which, after prolonged negotiations with Mr. Kabila's government, flew to Kinshasa on Aug. 24. But even after its arrival, the government objected to the independence with which the team sought to operate.

The UN has made two major compromises — by agreeing to Congo's demand that it replace the original head of the investigation and by agreeing to extend the mandate of the inquiry to cover human rights violations dating back as far as 1993.

Mr. Kabila's ministers also balked at the planned scope of the team's mission, which the United Nations said should encompass all of Congo. The government said the mission must focus only on the east of the country.

The government would not allow airline tickets to be sold to the UN investigators last month when they wanted to fly to the city of Mbandaka, where a massacre is alleged to have occurred.

Following Rival's Lead, Elf May Pursue Iran Deals

Compiled by Our Staff From Dispatches

PARIS — Elf Aquitaine SA confirmed Wednesday that it was seeking petroleum contracts with Iran and Iraq, just days after another French company's deal with Tehran threatened to spark a U.S.-European trade conflict.

Elf is pursuing oil exploration and production deals with both countries, but only in compliance with UN sanctions against Iraq and with a cautious eye on U.S. attitudes toward Iran, an Elf spokesman, Thomas Saunders, said.

"We have said we hoped to sign as quickly as possible something with Iraq, but of course in compliance with UN resolutions," Mr. Saunders said, adding that the company would like to bring in U.S. partners to such a deal.

The United States, which accuses Iran of sponsoring terrorism, has said it would consider penalizing the French oil company Total SA for signing a $2 billion contract with Iran on Sunday. Under the Iran-Libya sanctions act, a law passed by the U.S. Congress last year, Washington can penalize companies investing more than $20 million in Iran or $40 million in Libya.

President Boris Yeltsin of Russia weighed in on Wednesday with strong criticism of the United States in the dispute. Mr. Yeltsin, speaking about the $2 billion deal in which Russia's RAO Gazprom is a junior partner to Total, said it was "impermissible" for the United States to pressure other countries not to trade with Iran.

Elf is talking to the Iranian government about production in the Doroud oil field, despite concerns about U.S. opposition to such deals, said Mr. Vermeulen, Elf's vice president for exploration and production.

"The situation is very different from that of Iraq because there is no law binding us that prohibits working in Iran," Mr. Vermeulen said. "However, we have considerable interests in the United States not only in exploration and production but also in chemicals and pharmaceuticals, and we need to be extremely cautious about the attitude of the U.S. administration," he said.

About 15 percent of Elf's annual sales of 232.7 billion francs ($39.2 billion) originates in the United States.

The United States on Tuesday raised the possibility of waiving Iran-related sanctions on foreign companies if their governments pressured Tehran to end its support of terrorism.

The objective of the Iran-Libya sanctions law was not to impose sanctions but "to get other countries in the region, in Europe in particular, to work with us on the subject of tightening up the pressure on Iran," a State Department spokesman, James Rubin, said.

In pointed remarks on Tuesday to the Council on Foreign Relations in New York, Secretary of State Madeleine Albright said she found it incomprehensible that France did not realize the damage that commercial dealings with Iran could cause to Western attempts to change Tehran's policies.

"As far as the French are concerned, I must say it passes my understanding why there is no realization that pumping money into the system of Iran is not helpful to the rest of us," Mrs. Albright said.

Mr. Rubin said the administration would try to repeat with Iran what it considered a successful U.S. campaign to use an American sanctions law against Cuba to get Europeans to halt investment there and to press Havana on human rights. *(AP, Reuters)*

TRAVEL UPDATE

Railroad Strike Called in France

PARIS (Reuters) — The main French train drivers' union said Wednesday that it would call a 36-hour strike at the SNCF state railway company, starting at 8 P.M. next Tuesday and continuing until 8 A.M. on Oct. 9.

The FGAAC union said management had failed to meet all the main unions after they warned Sept. 18 that they would go on strike to demand talks on wages, working hours and work conditions.

The union served its strike notice along with the CGT, CFDT and FO unions without stipulating what form the strike action would take. The unions represent the vast majority of staff at the SNCF.

Rules of Road Shift in Belgium

BRUSSELS (Reuters) — A revolution hit Belgian traffic circles Wednesday as a new law came into force ending the traditional priority for road users arriving from the right.

The practice of giving drivers already on a roundabout priority over those arriving at it — indicated by a series of teeth painted on the road — has been slowly growing in the south of the country, although it still confuses many drivers.

But starting on Wednesday, a law went into force making it obligatory for all access routes to roundabouts to have the triangle-like teeth painted on them.

Traffic policemen pointed out, however, that it would take some time for all the sign painting to be carried out, and in any case many drivers — used for years to steaming at full speed onto traffic circles — were ignorant of the meaning of the teeth.

Belgium, which only introduced driving tests in the early 1970s, has one of the highest road accident rates in Europe — primarily a result of the priority from the right rule that still applies to roads in general.

Death Toll Up To 4 in Spain

ALICANTE, Spain (AP) — Rescue workers found the body of a woman Wednesday, bringing to four the number killed in torrential rains in this southeastern city, news reports said.

The woman is believed to be the mother of a 6-year-old child whose body was found Tuesday. The bodies of two other women were also found Tuesday evening.

Correction

An article in Wednesday's issue incorrectly stated that the Algerian town of Blida is near the Moroccan border. It is near Algiers.

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Companies, Trusts
Tax Planning

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MEMORIAL

A Memorial service for

BERRY, Dean

A Service of Thanksgiving for the life and work of Dean F. Berry of the London Business School, Insead and Gemini Consulting will be held at St. Bride's Church, Fleet St., London on Wednesday 15th. October at 12 Noon followed by a reception. All friends, colleagues and ex-students are welcome.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
Mostly sunny in the Northeast with a warming trend this weekend. High pressure will bring sunshine and nice weather to the Southeast, but a storm will head across the northern Rockies and northern Plains, producing clouds and rain there. Sunny and hot in the Southwest.

Europe
Plenty of sunshine this weekend from France into much of western Europe, but there will be a few showers across southern Spain. Windy and chilly weather will persist from Poland into western Russia with some rain. Drying out in Germany and Denmark with a return of sunshine.

Asia
Warming up in Tokyo with some sunshine this weekend, followed by some showers. Sunshine will return to Beijing, but it will be cooler. Showers will cross Korea Friday, then drier and cooler this weekend with some sun. Soaking rain will affect Taiwan and Okinawa.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

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Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	26/79	19/66 c	27/80	17/62 r
Amsterdam	13/55	7/44 c	14/57	7/44 s
Ankara	18/64	5/41 pc	22/71	7/44 c
Athens	27/80	19/66 s	27/80	19/66 pc
Barcelona	24/75	15/59 s	24/75	16/61 pc
Belgrade	23/73	9/48 r	17/62	6/46 s
Berlin	15/59	7/44 sh	11/52	4/39 s
Brussels	13/55	7/44 c	16/61	6/46 s
Budapest	18/64	6/43 r	15/59	3/37 pc
Copenhagen	12/53	6/43 sh	9/48	4/39 pc
Costa Del Sol	27/80	18/64 pc	27/80	17/62 r
Dublin	16/61	12/53 c	18/64	12/53 s
Edinburgh	14/57	10/50 sh	17/62	11/52 c
Florence	27/80	13/55 s	21/70	7/44 pc
Frankfurt	13/53	8/43 r	11/52	2/35 s
Geneva	16/61	6/43 c	18/64	6/46 pc
Helsinki	8/46	3/37 r	6/43	1/34 sh
Istanbul	25/77	18/64 pc	24/75	18/61 pc
Kiev	9/48	6/43 r	9/48	2/35 pc
Las Palmas	23/73	19/66 pc	24/75	19/66 pc
Lisbon	25/77	17/62 s	23/73	16/61 sh
London	16/61	9/48 c	19/66	10/50 s
Madrid	29/84	12/53 pc	28/78	12/53 pc
Mallorca	29/84	16/61 s	27/80	15/59 s
Milan	25/77	11/52 s	19/66	7/44 pc
Moscow	9/48	4/39 sh	9/48	2/35 r
Munich	13/55	3/37 r	9/48	1/34 c
Nice	27/80	18/61 s	22/71	12/53 s
Oslo	12/53	3/37 c	9/48	3/35 pc
Paris	18/64	9/48 pc	18/64	9/48 s
Prague	13/55	3/37 sh	10/50	1/34 c
Reykjavik	12/53	7/44 r	7/44	2/35 r
Riga	9/48	5/41 sh	9/48	2/35 c
Rome	27/80	16/61 pc	26/78	16/61 pc
St. Petersburg	7/44	1/34 r	6/43	3/37 sh
Stockholm	9/48	4/39 sh	7/44	2/35 pc
Strasbourg	17/62	6/43 sh	14/57	6/43 c
Tallinn	9/48	6/43 r	9/48	2/35 c
Tbilisi	18/64	9/48 r	21/70	14/57 pc
Venice	24/75	12/53 s	17/62	6/43 pc
Vienna	14/57	7/44 pc	12/53	5/41 pc
Warsaw	13/55	4/39 r	9/48	1/34 s
Zurich	17/62	6/43 sh	12/53	4/39 c

Middle East

Abu Dhabi	42/107	24/75 s	41/106	25/77 s
Beirut	28/71	18/64 pc	27/80	20/68 pc
Cairo	30/86	17/62 s	31/88	17/62 pc
Damascus	22/71	11/52 pc	26/78	12/53 s
Jerusalem	28/71	11/52 s	28/79	13/55 pc
Luxor	35/95	14/57 s	35/97	18/64 s
Riyadh	39/102	22/71 s	39/100	23/73 s

Africa

Algiers	31/88	17/62 pc	30/86	18/66 sh
Cape Town	28/82	19/64 s	27/80	17/62 pc
Casablanca	24/75	17/62 c	24/75	17/62 pc
Harare	25/77	12/53 s	24/75	11/52 s
Lagos	29/84	23/73 s	29/84	24/75 c
Nairobi	29/84	11/52 pc	27/80	13/55 pc
Tunis	28/82	16/64 pc	29/84	17/62 s

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	25/77	9/48 s	25/77	11/52 sh
Bali	31/88	21/70 s	31/88	21/70 pc
Bangkok	35/99	23/73 s	33/99	25/77 pc
Beijing	24/75	16/61 pc	22/71	6/46 sh
Bombay	29/84	20/68 s	29/84	22/71 s
Calcutta	29/84	21/70 pc	29/84	23/73 pc
Chiang Mai	31/88	23/73 pc	31/88	23/73 pc
Colombo	29/84	23/73 pc	29/84	24/75 pc
Hanoi	31/88	24/75 c	31/88	24/75 c
Ho Chi Minh	33/99	24/75 r	31/99	24/75 sh
Hong Kong	28/82	24/75 c	29/84	25/77 pc
Islamabad	38/97	18/64 s	34/93	16/61 t
Jakarta	31/88	22/71 pc	31/88	23/73 pc
Karachi	33/91	23/73 s	33/91	23/73 s
K. Lumpur	31/88	22/71 sh	31/88	23/73 c
K. Kinabalu	30/86	23/73 pc	29/84	23/73 c
Manila	28/82	24/75 t	31/88	24/75 pc
New Delhi	33/99	20/68 sh	31/88	19/66 sh
Phnom Penh	31/88	24/75 c	30/86	24/75 t
Phuket	32/89	23/73 c	32/89	25/77 pc
Rangoon	29/84	22/71 pc	29/84	24/75 pc
Seoul	23/73	11/52 s	25/77	16/61 pc
Shanghai	24/75	17/62 c	27/80	21/70 pc
Singapore	30/86	24/75 pc	31/88	23/73 pc
Taipei	28/82	22/71 c	29/84	24/75 pc
Tokyo	19/66	17/62 c	22/71	21/70 sh
Vientiane	31/88	21/70 c	30/86	22/71 c

North America

Anchorage	7/44	-2/28 pc	6/43	-2/28 pc
Atlanta	28/82	12/53 s	23/73	12/53 pc
Boston	18/61	7/44 s	16/61	9/48 pc
Chicago	24/75	13/55 s	23/73	13/55 pc
Dallas	32/89	17/62 s	29/84	17/62 pc
Denver	30/86	11/52 s	28/82	10/50 pc
Detroit	21/70	11/52 pc	22/71	11/52 pc
Honolulu	30/86	22/71 pc	31/88	23/73 pc
Houston	32/89	19/66 t	27/80	16/61 pc
Los Angeles	30/86	15/59 pc	30/86	16/61 pc
Miami	31/88	23/73 sh	31/88	24/75 pc
Minneapolis	26/82	16/61 s	25/77	13/55 pc
Montreal	9/48	2/35 pc	17/62	12/53 pc
Nassau	32/89	24/75 pc	31/88	23/73 pc
New York	17/62	9/48 s	20/68	12/53 s
Orlando	31/88	20/68 pc	29/84	21/70 pc
Phoenix	39/102	24/75 pc	39/102	24/75 s
San Fran	21/70	12/53 s	23/73	13/55 pc
Seattle	19/66	9/48 r	17/62	9/48 r
Toronto	14/57	5/41 pc	22/71	12/53 pc
Vancouver	12/53	8/43 r	12/53	3/37 sh
Washington	20/68	8/46 s	21/70	10/50 s

Latin America

Buenos Aires	21/70	14/57 pc	23/73	12/53 pc
Caracas	29/84	21/70 c	30/86	22/71 pc
Lima	21/70	17/62 sh	23/73	18/64 pc
Mexico City	21/70	12/53 c	22/71	12/53 s
Rio de Janeiro	29/79	19/66 pc	23/73	18/64 pc
Santiago	18/64	7/44 sh	17/62	5/41 pc

Oceania

Auckland	15/59	9/48 pc	19/66	12/53 pc
Sydney	27/80	21/70 pc	24/75	13/55 r

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هكذا من الاصل

THE AMERICAS

'Fast Track' Approved In First Test in Senate

Trade Measure Gains, With No Discussion

The Associated Press

WASHINGTON — President Bill Clinton's request for congressional authorization to negotiate new trade agreements, a major priority for his second term, cleared its first legislative hurdle Wednesday.

The Senate Finance Committee approved the measure by voice vote with no public discussion after members spent more than an hour in a meeting with administration representatives.

Mr. Clinton is seeking "fast track" negotiating authority to expand the North American Free Trade Agreement with Canada and Mexico to other countries in Latin America and beyond.

"We are very pleased with the action taken today by the Senate Finance Committee," said the U.S. trade representative, Charlene Barshefsky.

"It was a strong bipartisan showing of support for fast-track legislation, for the power of the president to continue to lead with respect to international economic policy."

Mr. Clinton is expected to hit hard on the issue next month in a visit to Argentina, Brazil and Venezuela, all countries that would become members of the "Free Trade Area of the Americas" that the president vowed to help establish by the next century.

Fast track is not a trade accord but a set of rules to guide U.S. negotiators as they work out trade agreements with other countries, the World Trade Organization and similar institutions.

Its name derives from the fact that those accords, once negotiated, have to be quickly voted on by Congress, without amendment.

Bridging a Gap on Standards

Paul Blustein of the Washington Post reported earlier:

The Finance Committee bill tries to bridge a gap between moderate Democrats and conservative Republicans on the issue of whether trade deals should include provisions requiring countries to meet certain standards on worker rights and the environment.

The bill seeks to assuage Republican fears that Mr. Clinton would strike a trade accord that would entail a tightening of U.S. domestic standards on labor or the environment.

It specifies that while agreements to lower trade barriers would be subject to fast-track procedures, the same would not apply to any provisions requiring changes in U.S. labor or environmental law.

Labor and environmental provisions would still be subject to fast-track procedures if they were "directly related to trade" — an example being a health standard barring the importation of foreign products.

Also subject to fast track would be provisions prohibiting countries from lowering their labor or environmental standards "as a means of attracting investment."

Democratic critics of free trade, who are demanding that trade deals include strict provisions to raise labor and environmental standards abroad, said Tuesday that the White House might alienate House Democrats by backing the Finance Committee bill.

The speaker of the House, Newt Gingrich, also warned that the legislation "is in very deep trouble" in the House. That sentiment was echoed by the president's chief House ally on the issue, Representative Robert Matsui, Democrat of California.

Mr. Gingrich, in an appearance at the National Press Club, said, "I do not today see the votes in the House to pass fast track," given the opposition of organized labor and of the House minority leader, Representative Richard Gephardt, Democrat of Missouri.

Mr. Matsui, who also said at the House hearing that fast track "is in deep trouble," said later that "it's going to help a lot" if the Senate Finance Committee bill passes with solid bipartisan support, as it did Wednesday.

David B. Paduer/The Associated Press

GAMBLERS FORCED OUT — Flames rising from the El Dorado resort in Reno, Nevada. Scores of gamblers were evacuated from the casino. The fire started near a marquee. It was extinguished in less than an hour, and damage was limited to the exterior and a mezzanine with restaurants. No one was hurt.

AMERICAN TOPICS

The Wealthy and Worried Build 'God Forbid Rooms'

Crime rates have been falling across much of America, but you wouldn't know it from the way some people spend their money. Sales of body armor are up in this country where there is nearly one privately owned gun (223 million) for every inhabitant, children included. Even bulletproof bras are selling. And small, but growing numbers of people are building secret, heavily protected redoubts into their houses. Some people, reports The New York Times, call them the "God forbid room," as in "God forbid that a kidnapper should come storming in here with a gun."

Most of these inner sanctums are being built by the very wealthy, people with some reason to fear abduction or attack. The rooms tend to be closets with armored doors, but some include emergency generators, separate, buried phone lines, and closed-circuit TV monitors. Deluxe models allow the besieged person to send an electric shock through the mat outside the armored door. Costs can reach $500,000.

That's a lot of money at a time of subsiding crime rates. But abductions in Europe, and a few high-profile crimes in the United States, have fed people's fears, specialists say.

Meanwhile, for those who cannot afford a more expensive approach to peace of mind, specialists suggest a simple solution, one that provides, in a single inexpensive package, both warning and defense against attack: the dog.

Short Takes

Speaking of violence, postal employees are angry about a new video game, "Postal," in which a disgruntled man roams the streets shooting police officers, pedestrians, a marching band and churchgoers. As the victims fall, the shooter mutters, "Going postal."

"Going postal" is slang for engaging in crazed mass violence. It dates from August 1986, when an Oklahoma postal worker killed 15 colleagues. Many of the nation's 750,000 postal workers resent the stereotype.

"We're pretty outraged," said Ken Kelble, head of a local postal workers union in New Hampshire. "To depict postal workers as violent terrorist employees is unfair."

There is talk of a national boycott of the game.

Brian Knowlton

POLITICAL

Gingrich Seeks Debate on Taxes

WASHINGTON — Congressional Republicans say they hope to expand a week of hair-raising allegations of abuse by Internal Revenue Service officials into a larger crusade to remake the nation's entire tax code.

The speaker of the House, Newt Gingrich, Republican of Georgia, says he wants to begin a six-month "national debate" on alternatives to the current income-based tax system, and promised legislative action before the end of 1998.

But if the past is any guide, that effort won't be easy. Republican leaders learned two years ago that it is far more complicated to translate that hostility into broad-based support for specific tax reforms.

Some Republicans, among them the House majority leader, Dick Armey of Texas, and a presidential candidate in 1994, Malcolm Forbes, champion a flat tax that would tax individuals at the same set rate beyond a certain income threshold; some, including Bill Archer of Texas, chairman of the House Ways and Means Committee, favor a national sales tax; others advocate more moderate variations of the current system.

That debate showed too that as soon as politicians moved from attacking the income-based tax code to a substantive discussion of what type of tax system should replace it, they were as likely to win the public's ire as its approval.

Voters' initial enthusiasm for the flat tax, for example, cooled quickly as they learned that the proposal would wipe out cherished deductions.

The appeal of a national sales tax also faded as experts warned that, together with state and local levies, it might mean sales tax rates in excess of 30 percent. *(WP)*

Cost of Inquiries: $44,558,834 So Far

WASHINGTON — As pressure builds for the appointment of more independent counsels, the special prosecutors already examining the conduct of President Bill Clinton, his wife and other administration officials have spent more than $44 million in less than three years, the General Accounting Office says.

In a report released Tuesday, the agency said that the four independent counsels appointed to investigate the Clinton administration had spent $8,747,706 from Oct. 1, 1996, to March 31, 1997. Including the accounting office's latest figures, the investigations have cost a total of $44,558,834 so far. *(WP)*

Quote/Unquote

Hillary Rodham Clinton, referring to her daughter's departure for college as she embarked on a campaign to improve child care for working parents: "I'm looking for ways to divert myself from my empty nest, and I'll take just about any dinner invitation I can get." *(NYT)*

Reform Commission Calls for 'Americanization' of Immigrants

By William Branigin
Washington Post Service

WASHINGTON — In its final report after five years of work, the U.S. Commission on Immigration Reform has called for a broad new commitment to the "Americanization" of immigrants so that they can be better integrated into national life and strengthen the country's unity amid its growing diversity.

The bipartisan advisory commission, appointed by the president and Congress under a 1990 immigration law, also recommended the overhaul of a complex system of U.S. "nonimmigrant" visas, of which more than 6 million were issued last year to foreigners ranging from students and tourists to businessmen and temporary workers.

In addition, it renewed a call for reform of legal immigration and proposed dismantling the Immigration and Naturalization Service. It urged Congress to reconsider denying welfare benefits to legal immigrants and advocated stricter enforcement of what it described as a lax system for deporting illegal aliens.

Some of the panel's recommendations, particularly those for eliminating several categories of family-sponsored immigrants and reducing the overall number of immigrations over time, immediately drew sharp criticism from special interest groups that favor the existing system.

The American Immigration Lawyers Association said the report contained a rehash of recommendations on legal immigration reform that were "firmly rejected" by Congress last year. American Business for Legal Immigration, a lobby representing a powerful coalition of companies concerned with protecting access to foreign workers, complained about proposals to cut employment-based immigration and to require businesses that recruit foreigners to pay a fee toward job-training programs for Americans.

In releasing the 232-page report Tuesday, the commission's chairwoman, former Education Secretary Shirley Hufstedler, urged President Bill Clinton to emulate his recent initiative for a national dialogue on race and exercise "similar leadership in grappling with the Americanization of new immigrants." She called for government and private-sector participation in defining "a new Americanization movement" involving communities across the country.

"Americanization challenges all of us," Ms. Hufstedler said. "Those business groups in particular who lobby for high levels of immigration must make a far greater effort not only to support immigration, but also to support immigrants, through English classes, naturalization and civic education."

The focus of the report, entitled "Becoming an American: Immigration and Immigrant Policy," reflects concerns among the commissioners that in creating "one of the world's most successful multiethnic nations," the United States must also reinforce the unity that comes from allegiance to common principles and values.

With the foreign-born population of the United States steadily rising — it reached a record 24.5 million last year, or 9.3 percent of the population — the country must uphold the national motto, *E Pluribus Unum*, "from many, one," the report said.

It recommended renewed commitments to educating newcomers in English and civics, improving the naturalization process and asserting the primacy of individual rights over the "collective" rights that are paramount in many parts of the world.

"As long as the United States continues to emphasize the rights of individuals over those of groups, we need not fear that the diversity brought by immigration will lead to ethnic division or disunity," the commission said.

The panel also recommended dumping the current alphabet soup of more than 40 nonimmigrant visa categories. Instead, it proposed a streamlined system that would group visas into five broad classifications.

Among its most far-reaching recommendations was a previously reported plan to abolish the Immigration and Naturalization Service and distribute its functions to the Justice, State and Labor Departments.

The service suffers from "mission overload" and performs too many functions, some of them in conflict with each other, the panel said.

In opposing that proposal, the Immigration and Naturalization Service has found some unlikely allies.

Immigrant support groups, immigration lawyers and business groups criticized the idea, expressing concern especially about turning over decision-making powers on all immigration benefits to the State Department.

The plan "would recklessly disperse the agency's functions in a way that would likely make a bad situation worse," the National Immigration Forum said.

Tackling Forced Child Labor

An Import Ban Is Expected to Win Quick Approval

By Steven Greenhouse
New York Times Service

NEW YORK — As a result of a quiet maneuver by House and Senate conferees, Congress is expected to enact a law that would ban the country from importing goods made by forced or indentured child laborers, children who are sold into bondage by their parents and who must often work a decade or more to buy their freedom.

The bill's sponsors say it will greatly affect the importing of rugs and carpets from Pakistan and India, where some children as young as 4 are sold into bondage. Human rights organizations estimate that South Asia has more than 15 million indentured child laborers.

"This is extremely important as a moral issue," said Representative Bernard Sanders, an independent from Vermont who introduced the legislation in the House. "Consumers in the United States of America shouldn't be purchasing goods made by children who are indentured servants and virtual slaves. We should not do business this way, and we should not be perpetuating this system."

Some experts on child labor question how effective the measure will be, suggesting that children will be exploited as long as poverty remains endemic worldwide. The conference bill that includes this measure is expected to pass Congress quickly, but Congress has not approved extra money to enforce the provision. Nor is it clear how the United States will determine that child labor is being used.

Children's rights groups estimate that each year the United States imports goods valued at more than $100 million — for the most part rugs and carpets — produced by bonded or indentured children. The groups also say that indentured child laborers are used to mine gems or to produce leather goods and rattan baskets, among other things. But such labor is also prevalent in brick and matchstick factories, which export little of their products.

The bill would not ban the import of apparel or footwear made in factories that employ 13- and 14-year-olds who are not indentured workers. But Senator Tom Harkin, an Iowa Democrat who also sponsored the provision, said he hoped it would be a first step toward barring imports of all products made by children.

- **A campaign to thwart direct mail** scams that cost senior citizens and other consumers millions of dollars a year has been begun by federal, state and local law enforcement officials and 1,500 private sector volunteers. In kicking off the campaign, officials announced 190 law enforcement actions against fraudulent direct mail schemes, including one that used 200 different business names and bilked consumers out of $100 million a year. *(AP)*

- **Two new studies of adolescent girls** have found that 1 in 4 has been sexually or physically abused or forced by a date to have sex against her will. In addition, those who have had such experiences are far more likely to show signs of depression and eating disorders; to engage in risky health behaviors, including smoking, drinking and using drugs, and to fail to use contraception and become pregnant. *(NYT)*

- **Johnny Cockrum, who fatally shot a 69-year-old convenience store clerk** during a robbery has been executed by injection in Huntsville, Texas, fulfilling his request to be put to death. *(AP)*

- **An 11-year-old boy who was last seen selling candy for his school** in Jackson Township, New Jersey, was strangled, officials said, and his death has prompted a round of soul searching by parent groups sponsor such fund-raising. A 15-year-old neighbor has been charged with the murder and with aggravated sexual assault. The prosecutor said he is considering whether to try the suspect as an adult. *(NYT)*

- **O.J. Simpson's** 75-year-old mother, Eunice Simpson, convinced a judge that a $20,000 grand piano housed for years at her son's estate was really hers, and therefore should not be seized by the family of Ron Goldman, for whose murder a civil jury held Mr. Simpson responsible. *(LAT)*

- **A student opened fire on schoolmates** outside the high school in Pearl, Mississippi, killing at least two people and wounding six others. *(AP)*

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ASIA/PACIFIC

For Hong Kong, 'Just a Holiday'

By Edward A. Gargan
New York Times Service

HONG KONG — Against the martial chords of "The March of the Volunteers" played by a white-jacketed police band, the five-starred red banner of China was raised for the first time Wednesday by Hong Kong's government to celebrate the 48th anniversary of the founding of the Communist state.

But the celebration of China's national day here — 48 years after Mao Zedong mounted the Gate of Heavenly Peace in Beijing and declared, "the Chinese people have stood up" — was a moment of deep paradox as Hong Kongers, nearly half of whom fled the communism that now rules them, struggle to find an identity, to find their place in the Chinese nation.

Tung Chee-hwa, the shipping tycoon Beijing appointed to run Hong Kong, bustled around town Wednesday spreading the message of patriotism, from a solemn flag-raising at 8 o'clock in the morning to a carnival in the afternoon to a cocktail reception for Hong Kong's political and business elite at dusk.

"We in Hong Kong take tremendous pride in our Chinese identity," Mr. Tung told the territory in a message published in newspapers Wednesday morning. "Let us take this joyous occasion to wish our nation continuing success."

But for other Hong Kongers, the embrace of a motherland that for 156 years was so distant, has not been automatic.

"Really for me it's just a holiday," said Benny Leung, an accountant at a textile company sagging onto a metal bench as his daughter ran toward a toy train in a neighborhood park.

"We are Chinese. Yes. But we're really Hong Kong people. I don't see us as really part of China yet."

This undercurrent of uncertainty, or confusion over how precisely Hong Kongers see themselves was reflected in a opinion poll released this week by the University of Hong Kong.

Indeed, a shadow more than 60 percent of those surveyed by the university said that they were not proud of having become citizens of China, and only 17.5 percent actually regarded themselves as Chinese citizens. Nearly 40 percent of those polled defined themselves as "Hong Kong citizens."

In part, 156 years of British rule shaped notions of identity and patriotism here. And while no one here regarded themselves as British, despite the fluttering Union Jacks, the 21-gun salutes on the Queen's birthday and "God Save the Queen," polls over this decade found the flowering of a distinctive identity as a Hong Konger.

This identity was fueled by the proliferation of Hong Kong music, Cantopop, the deeply local Hong Kong kung fu film genre and the emergence of a distinct style of written Cantonese, a written dialect unintelligible to a mainlander. Increasingly, people from artists to movie makers, local political leaders to taxi drivers instinctively called themselves Hong Kongers.

"We are a city of Chinese people but we've never been a Chinese city," said Margaret Ng, a lawyer and former legislator here who was forced from her legislative seat when Beijing installed a handpicked assembly.

In Victoria Park, annually the site of huge vigils on June 4 to commemorate the slaughter of hundreds, perhaps thousands of people on the streets of Beijing and Tiananmen Square in 1989, a carnival of children's games and a Cantopop concert drew a steady stream of people enjoying this new, and rare two-day holiday.

At several of the military camps of the People's Liberation Army, selected tour groups were escorted around as part of the army's public relations effort to present a more appealing image to a territory where people still vividly remember the killings at Tiananmen Square.

Foreign reporters were barred from the camps, but miniskirted women soldiers performed song-and-dance shows and sailors in crisp whites ushered visitors onto ships.

But elsewhere in Hong Kong, there seemed to be little homage paid to the mother country's founding day.

In Fanling, a town in Hong Kong's New Territory, Polly Lee and Terence Cheng strolled down the street, glancing in closed shop windows.

"We don't feel any different," said Mr. Cheng, who said he was in his 20s. "It's just an extra day of holiday for us. Anyway, how we feel depends on the atmosphere around us, but there's not much going on. There're some Chinese flags hanging around us, but that's about it."

Both workers in a textile factory, the couple admitted that in coming years their feelings toward China could gradually evolve.

"We don't feel any different," Mr. Cheng said, "but that might change."

At a noodle restaurant, though, Cheng Chou, in a T-shirt and shorts, rubbed his hands happily when the subject of China's national day came up.

"I'm happy," he said. "Hong Kong has returned to the mother country. If you're Chinese, you should be proud, right?"

He slurped down the last of his noodles. "I'm taking my kids out to dinner tonight," he said. "In the past, there wasn't much celebrating on this day, and I didn't feel any different. But it's special this year."

Hong Kong's leader, Tung Chee-hwa, applauding students who took part in ceremonies staged by the government Wednesday to celebrate the 48th anniversary of the founding of China's Communist state. Reuters

Fires and Smog Spread in Indonesia

Reuters

SINGAPORE — Fires continued to spread unchecked across Indonesia on Wednesday, and the dense smog they cause brought another day of choking and misery to much of Southeast Asia.

Jakarta's deadline for 176 plantation and forestry companies to prove they were not responsible for the blazes passed unheeded.

The finger-pointing continued: Officials blamed plantation and forestry owners, who in turn blamed small farmers, who blamed the government. But everyone agreed that the El Nino effect, the weather pattern that has brought drought to much of the region, was making matters worse.

Singaporeans got some good news, however. Weathermen forecast four to six days of scattered showers by Oct. 15 and two days of widespread rain, perhaps bringing some respite from the smog.

Malaysian firemen battling their own forest fires in the state of Pahang had trouble either finding or reaching the hot spots, in part because the smog blanketing the region made it difficult to see the smoke from the local fires.

"The fires are not big as far as sighting goes. You don't see flames of fire," said Yahya Madis, deputy director of the Fire and Rescue Services Department in Pahang.

In Jakarta, a forestry expert said "quite a lot of fires" were now burning in eastern Java, the country's most populous island, which had escaped most of the smog.

Dennis Dykstra, deputy director-general for the Center for International Forestry Research, said he had seen flames roaring through a pine plantation owned by the Forestry Ministry near the town of Malang, about 90 kilometers (55 miles) south of Indonesia's second-largest city, Surabaja in eastern Java.

"People had been burning off fields, and the flames escaped into forests in the hills near Malang," he said.

A Forestry Ministry spokesman said it had yet to receive responses from 176 plantation and forestry companies ordered to document whether or not they had been responsible for illegally setting fires to clear land.

The Indonesian government has threatened to revoke the licenses of companies found to have set fires to clear land. The companies operate in the worst-hit areas on Borneo and the island of Sumatra. But timber barons blame small farmers who use a slash-and-burn method to clear land.

A Rebuke for Clinton China Policy

By David Stout
New York Times Service

WASHINGTON — A House committee has dealt a sharp if largely symbolic rebuke to the Clinton administration's China policy, just four weeks before President Jiang Zemin is to come to Washington, by voting to deny visas to Chinese officials who violate human rights.

The bill, approved in a 22 to 18 vote by the Committee on International Relations, was one of several meant to challenge the administration's stance on China as President Bill Clinton prepares for Mr. Jiang's state visit, the first to the United States by a Chinese leader in a dozen years.

The bill would deny visas to military or civilian officials guilty of religious or political oppression, and to members of eight religious organizations that cooperate with the Chinese government.

But it would not affect Mr. Jiang or other cabinet-level Chinese officials, and it would allow Mr. Clinton to clear the way for any official to visit the United States by declaring that the visit was in the national interest.

Congressional staff members familiar with the bill's history said the measure probably would be voted on next week by the full House, where its prospects are uncertain.

If it does clear the House, it would go to the Senate, where its chances are even slimmer, according to congressional officials, speaking on condition of anonymity.

Finally, Mr. Clinton could veto the bill, should it ever reach his desk, and be fairly confident that the veto could not be overridden, congressional staff members said. The Clinton administration has strongly opposed the measure, asserting that China could retaliate by denying visas to many Americans.

An administration official, who spoke on condition of anonymity, said the committee's action was "not helpful" and could thwart efforts to raise human-rights issues in talks with Chinese leaders.

One of the measure's sponsors, Representative Dana Rohrabacher, Republican of California, said denying visas would tell the Chinese that "we don't want the ghouls of the world to come here."

But Representative Lee Hamilton, Democrat of Indiana, said the bill "points us in the direction of cutting off dialogue with China, in the direction of disengagement from China, in the direction of making China the enemy."

The committee also recommended increasing Radio Free Asia's funds to $40 million a year, from $30 million. In addition, it urged the Clinton administration to provide Taiwan with better missile defenses if Taiwan requests them.

The deputy assistant secretary of state for East Asia, Susan Shirk, said the missile-defense recommendation would be viewed by the Chinese as "a hostile measure" and cause some disruption in American planning for the summit meeting.

Representative Amory Houghton Jr., a New York Republican who is one of four Republicans to oppose the visa-denial measure, equated it to "poking a finger in the eye" of the Chinese while the United States is supposedly trying to learn how to deal with them.

"It think it's a dumb idea," Mr. Houghton said. The congressman is a former chief executive of Corning Inc., founded by his family. He said his experience in international trade helped to determine his vote.

Indian-Pakistani Guns Duel Again

Reuters

SRINAGAR, India — India and Pakistan battled with artillery in Kashmir again Wednesday, a day after 20 people were killed in heavy shelling along their disputed border, Indian authorities said.

An Indian military spokesman said the artillery firing started in the morning in the Uri and Kupwara sectors in north Kashmir.

There were no reports of casualties, and the firing tapered off in the afternoon, with only intermittent exchanges taking place after that.

Uri is about 100 kilometers (62 miles) and Kupwara 87 kilometers north of Srinagar. Both are near the border with Pakistan.

The firing was the latest outbreak of shelling along the 720-kilometer line of control.

At least two dozen people were killed along the disputed boundary in shooting that intensified in August and continued into early September before tapering off.

India and Pakistan accused each other of starting the firing on Tuesday in Ladakh, next to Kashmir. India accused Pakistan of killing 17 Indian civilians and wounding more than 30 with "deliberate and indiscriminate" bombardment.

An official in Jammu, the Indian state's winter capital, said Pakistani troops had fired more than 2,000 rounds of 105mm shells, 9,000 small air-defense shells, 600 rounds of 82mm shells and two anti-tank missiles.

But military sources in Pakistan accused the Indian side of starting the firing, which they said killed three Pakistani civilians and wounded seven.

Pakistani forces retaliated, hitting only military targets and inflicting "heavy casualties," they said.

India's Foreign Ministry said on Wednesday that it had proposed a hotline linking commanders on opposite sides of the border.

BRIEFLY

Indonesia Preparing to Re-Elect Suharto to a 7th Term, if He Runs

JAKARTA — President Suharto took the first step Wednesday toward his likely re-election when a 1,000-member assembly was sworn in to choose a head of state next year for the world's fourth most populous nation.

While Mr. Suharto, 76, has not formally announced whether he will stand for a seventh consecutive five-year presidential term, there is almost no doubt that he will be re-elected in March if he runs. The support of the army for Mr. Suharto, a retired general, seems assured. On Wednesday, he was promoted symbolically to the rank of five-star general.

The People's Consultative Assembly is made up of 475 legislators elected to Parliament in May, 75 military appointees to Parliament and 500 other appointees. *(AP)*

'Black Boxes' Elude Searchers

BUAH NABAR, Indonesia — Searchers sloshing through mud and brush failed to find the flight recorders from an Indonesian plane that crashed last week, killing the 234 aboard.

Soldiers, volunteers and aviation investigators from Britain, the Netherlands and Indonesia searched jungle highlands Tuesday for the "black boxes," which contain flight data and cockpit voice recorders that could shed light on what caused the crash.

The police arrested at least 32 people accused of looting money, jewelry and clothing in the hours after the Garuda Airlines Airbus crashed Friday in a jungle highland south of Medan's Polonia Airport.

The chief investigator, O. Diran, said at the crash site that although finding "the black boxes is not a must," the investigation would be easier and faster if they were recovered. *(AP)*

2 Bombs Wound 16 in Old Delhi

NEW DELHI — Two bombs exploded in a bustling old quarter of the Indian capital Wednesday, wounding 16 people.

The explosions occurred at about 5.30 P.M. in the crowded Sadar Bazar area, which includes many of the city's wholesale markets.

The police sealed off the area and details of the explosion were not immediately available.

Some of the wounded were reported to be in serious condition, the agency Press Trust of India reported.

In July, explosions in the same area wounded 12 people. No one claimed responsibility for those blasts, but Muslim and Sikh separatists have been blamed for previous explosions in the city of 10 million people. *(AP)*

Afghans Assail Pakistani Attack

KABUL — Opponents of the ruling Taleban forces in Afghanistan accused Pakistan of bombing their northern stronghold Wednesday, weakening defenses in the only area outside the Islamic militia's control.

The opposition group — Hezb-e-Wahadat — also accused the United Nations of ignoring the Pakistani attacks. The organization's troops are the last line of defense against Taleban units advancing on Mazar-e-Sharif, the opposition's last big stronghold.

"I have a big complaint about the United Nations," said Haji Mohammed Mohaqiq, the Hezb-e-Wahadat commander. "Pakistan is sending its jets to bomb us, they are massacring our people and the United Nations is ignoring it."

Pakistan has repeatedly denied aiding the Taleban religious army, although many of its members studied in Pakistan, where more than 5 million Afghans lived in exile during the 1980s Soviet invasion of Afghanistan. *(AP)*

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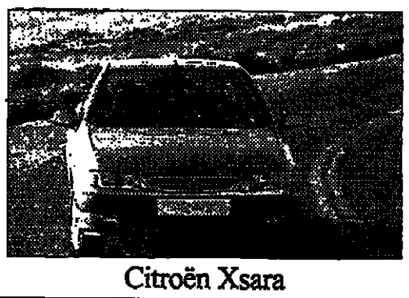
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Paris Tells NATO It Stays Out For Now

By Craig R. Whitney
New York Times Service

PARIS — France told the NATO allies Wednesday that French officers, absent from the alliance's military command structure since 1966, would not rejoin when it is reorganized at the end of this year because the United States was not ready to let a European officer take over the key southern command in Naples.

"The allies told me they wanted France to become a full member," Defense Minister Alain Richard said at a meeting of the North Atlantic Treaty Organization in Maastricht, the Netherlands. "I told them that, as we had different views on the progress made in the Europeanization of the command structure, we were not in a position today to change a 30-year policy."

Under Secretary of Defense Walter Slocombe of the United States said, "They left very little doubt about what the result will be."

President Charles de Gaulle pulled France out of NATO's integrated military structure, though not out of the alliance itself, in 1966, in protest against what he saw as American domination.

His conservative Gaullist successor, Jacques Chirac, said after his election in 1995 that France could go back in if the United States ceded more authority to European commanders, but later made European control of NATO's Allied Forces Southern Europe Command in Naples a condition of French return.

Since the Naples post has always been held by an American four-star admiral, and since its biggest military asset in wartime would be the U.S. Sixth Fleet, the Clinton Administration balked.

The coup de grace came in June, with the election of a Socialist government under Prime Minister Lionel Jospin, who had been critical of Mr. Chirac's negotiating tactics and dubious about the benefits of putting French officers in peacetime under U.S. command.

France does not dispute overall American leadership of the alliance or the right of the United States to name the Supreme Allied Commander, now General Wesley Clark, but it wants to create what it calls a European defense identity within NATO. Officials in Paris hoped that a reorganization the alliance plans to approve in December would put European officers in charge of the two major ground commands, north and south, under General Clark.

The northern European command is in European hands, but American officials repeated that as long as the Sixth Fleet and the U.S. Air Force constituted most of the combat strike power at the disposal of the southern command, it should remain in American hands. Mr. Chirac, by then in a diplomatic impasse largely of his own making, told French ambassadors at the end of August that the decision to go back into the military structure would be made only when a European took charge in Naples.

France would not block the rest of the NATO command structure reform, Mr. Richard told his fellow ministers Wednesday, and it would continue to participate fully in NATO operations like the U.S.-led peacekeeping force in Bosnia, where General Clark and other officials say the United States is fully satisfied with French cooperation.

"France announced a constructive cooperation, although it will not fully integrate for the moment," the German defense minister, Volker Ruehe, said in Maastricht.

Secretary of Defense William Cohen is expected in Paris later this week for bilateral talks with Mr. Richard. "We are going to focus on building the part of the relationship that works, not where we disagree," a spokesman for Mr. Cohen, Ken Bacon, said Wednesday.

Agence France-Presse

NATO's Javier Solana Madariaga, right, and General Clark chatting Wednesday.

Paris Whiffs a Bit of Fresher Air

The Associated Press

PARIS — Many Paris commuters were forced to leave their cars at home and the prime minister rode in an electric car Wednesday, after heavy smog prompted new pollution-fighting measures in the French capital.

After a pall of smog triggered a maximum level-three pollution alert Tuesday, only private vehicles with odd-numbered license plates were allowed on the roads, barring about 1 million of the estimated 3 million vehicles that enter Paris daily.

The authorities reported only a level-one smog alert Wednesday, and Environment Minister Dominique Voynet said the driving restrictions would not be in force Thursday.

Taxis, buses, commercial vehicles and car pools with three or more people were exempted from the rules, which appeared to have cut traffic and helped to clear up the air.

More than 1,000 extra police officers were deployed at 100 inspection points around the capital to enforce the new anti-pollution law, France Info radio reported. The law allows cars with odd or even-numbered license plates on the streets on alternate days while the alert is in effect.

The driving ban did not stop many drivers from breaking the law, causing a three kilometer (two mile) traffic jam as police handed out tickets near Orly Airport south of Paris. Motorists faced a 900 franc ($150) fine, though many drivers were only given warnings.

The police in Paris reported that traffic was down 15 to 20 percent.

Trying to set an example, Prime Minister Lionel Jospin and four other cabinet members, including Mrs. Voynet, arrived in electric cars at Wednesday's weekly cabinet meeting at the Elysee Palace.

Weak winds and unseasonably warm weather had led to a dangerous buildup of nitrogen dioxide in the region around the capital, leading to the level-three alert Tuesday.

Subways were filled with commuters who were frustrated with the rules but resigned to doing something about the bad air that cast a yellowish haze across the city and washed out the Eiffel Tower and the skyscrapers of La Defense, the financial district in the western suburbs.

"I think it's a good thing," said Christopher Clement, 38, a film production technician. "The smog just got intolerable. People got used to it in Rome, so we can too."

But Mr. Clement complained that taking the subway to clients around town could add hours to his commuting time.

"They should allow motorcycles," he said, adding that he was forced to leave his at home because of the odd-even rules.

The former environment minister who sponsored the anti-pollution measures early this year was among Wednesday's subway commuters. "It's not punishment; it's a matter of taking charge of a situation," Corinne Lepage said. "Things will never be the same again."

Her successor, Mrs. Voynet, head of the Green Party, told the newspaper Liberation that the anti-smog law was only a stopgap measure and that preventive measures are needed. "The real solutions are an improvement in mass transit," she said, "and the development of clean fuel. It's not right that diesel, which pollutes most, is taxed less."

The French health minister, Bernard Kouchner, went so far as to call for a ban on tourist buses, which he said were major contributors to smog in the capital.

"In Florence, they halt the buses at the city limits," he said in an interview with Le Monde. "It won't stop one tourist from coming."

The law's other measures include lower speed limits, free parking for local residents and reduced output at an oil-burning power plant outside the capital.

The regional transport company added extra trains, buses and subway cars to its routes. But it did not register a significant increase in traffic during the early commuting hours, a transport official said.

BRIEFLY

Irish to Investigate Official

DUBLIN — Prime Minister Bertie Ahern said Wednesday that the government would set up a special tribunal to investigate the admission by Ireland's foreign minister, Ray Burke, that he accepted an envelope containing about $50,000 in 1989 from two men he described as strangers.

Last month, Mr. Burke admitted to Parliament that he had accepted the money from two strangers who knocked on the door of his home. He took the money while more than 283 hectares (700 acres) of land near Dublin were being rezoned from agricultural to commercial use.

Mr. Burke said that he later learned that the men were officials of a real-estate development company, but that they had neither asked nor received any favors. *(NYT)*

EU Appeals on Climate Change

BRUSSELS — In an attempt to persuade other Western countries to accept European targets to curb global warming, the European Commission called Wednesday for urgent action to limit manmade changes in climate.

Hoping to spur United Nations climate talks, the commission argued that the European Union target of a 15 percent cut in greenhouse gases by 2010, compared to 1990 levels, was "an environmental necessity" that was "technically and economically feasible."

World environment ministers will meet in Japan in December to try to agree on a treaty committing industrialized countries to specific reductions in emissions of greenhouse gases, which are said to cause global warming. *(Reuters)*

Demirel Admits EU Problems

ANKARA — President Suleyman Demirel acknowledged Wednesday that Turkey must overcome problems such as those over human rights to attain membership in the European Union.

Turkey has a longstanding application to join the EU, but has been rebuffed by the group, which says that Turkey has to sort out economic woes, rectify its poor human rights record and resolve the Cyprus dispute with Greece before it can be admitted.

"Among the preconditions to integration in the EU are the putting into practice of modern European norms in all fields, from democracy and human rights," Mr. Demirel said in a speech for the opening of Parliament. "Turkey should no longer be a country that is listed among countries that violate human rights." *(AP)*

Blair Talks Tough to Party

BRIGHTON, England — Prime Minister Tony Blair bluntly told critics in his Labour Party on Wednesday that they could not duck the tough spending decisions needed to prepare Britain for the new millennium.

Five months to the day since he swept to power on a tide of euphoria that has yet to recede, Mr. Blair was facing the first real test of the willingness of Labour members to back his intention to blast away some of their most cherished ideals.

Labour's annual conference, which saw Mr. Blair on Tuesday raise the banner of "compassion with a hard edge," was due to vote on government plans to end free university tuition and on whether to demand the renationalization of Britain's railways. Both issues are dear to the heart of left-wing activists, who have found it hard to keep up with the pace of change since Mr. Blair became Labour leader three years ago. *(Reuters)*

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In Chile, Cold Heart for Disabled

By Calvin Sims
New York Times Service

COLINA, Chile — At a makeshift morgue in a schoolhouse in this suburb of Santiago, 20 bodies lay unclaimed, a poignant illustration of how this society treats its mentally and physically handicapped.

They were among the 30 children and adults who died when fire engulfed Los Ceibos, a home for the mentally retarded. By late Tuesday, relatives of only 10 of the dead had come forward to claim the bodies.

In Chile and elsewhere in Latin America, people often react to the disabled with a sense of shame, distance and helplessness, leading many families to abandon them in institutions operated by well-meaning but overburdened private foundations and church groups. Governments provide little money.

"They deposit these poor, helpless children in institutions as they would a check at a bank," said Sergio Prenafeta Jenkin, executive secretary of the National Fund for the Disabled, a government agency.

"The only problem," he said, "is that many never come back to see them, and they remain in these facilities for the rest of their lives."

Many of the victims were burned beyond recognition when an overheating electric lamp set off a fire early Friday that quickly engulfed a building housing the most severely disabled residents. Many were heavily medicated or in wheelchairs and could not escape. The fire left three other residents injured.

Some relatives of the victims at the home, operated by a nonprofit group called the Limited Child Assistance Foundation, said the eight attendants on duty the night of the fire had not been enough to cope with the 140 residents.

While many industrialized countries discourage warehousing the disabled in institutions and have passed laws to help them integrate into society, less developed nations like Chile still consider a mentally handicapped person an aberration or embarrassment who should remain hidden from society.

In the United States, the disabled have never been more visible, taking part in everything from work to organized sports. In Chile and other Latin American countries, they are rarely seen in public. When they do appear, people often point, giggle or treat them as if they should have remained indoors.

"We don't care about the disabled in Chile," Mr. Prenafeta said, "because we are a society that places too much value on success, and we leave those who do not prosper to fend for themselves. How can disabled children fend for themselves?"

Officials of the nonprofit foundation that operates Los Ceibos said half of the 3,500 residents in its 28 homes throughout Chile had been abandoned and were not visited by relatives.

Guillermo Vidal, vice president of the foundation, which is know by the Spanish acronym Coanil, said many families of the disabled were so poor that they were incapable of caring for the mentally retarded.

"It would be ideal if every family would assume its responsibility for these children," Mr. Vidal said, "but many of these kids come from families that live in such extreme poverty that they receive much better care in our hands."

About 400,000 of Chile's 13 million people are considered mentally disabled. About 35 percent of Chile's people live below the poverty line; the average monthly salary is the equivalent of about $175.

Vesna Tesic/The Associated Press

VIOLENCE IN KOSOVO — Serbian police officers in plainclothes arresting ethnic Albanians on Wednesday in Pristina during a demonstration calling for classes in the Albanian language and more local control.

BRAZIL: *On Eve of Pope's Visit, Church Presents a New Face*

Continued from Page 1

not unlike Jehovah's Witnesses.

The church, experts say, must respond. On the eve of the Pope's third visit here, this time for the Second World Conference of the Family, Brazil finds itself on the front line in the battle for the region's souls. Research reports indicate, for instance, that this sprawling, tropical metropolis with a penchant for string-bikinis and Carnival is only 65 percent Catholic today, compared with 85 percent in 1970. Nationwide, the Institute of Geography and Statistics says, Brazil was officially 83.7 percent Catholic in 1991, compared with 91 percent in 1970.

While some former Catholics simply dropped religion altogether, the majority found greater fulfillment in the different message and methods offered by Brazil's high-energy evangelical churches, some of which have grown to international status and now count millions as followers worldwide.

Indeed, even as the local Catholic Church and the City of Rio busily prepare for the Pope's trip, Sao Paulo rolled out the red carpet this week for 700,000 Protestants during the Second World Congress of the Assembly of God. President Fernando Henrique Cardoso even attended the group's religious ceremony, greeting the crowd with a boisterous "hallelujah."

"Yes, we are very concerned, and yes, the Pope is concerned," Bishop Karl Josef Romer of Rio said. "The Pope's visit, besides addressing the very serious issue of the family, will reaffirm the church" in Brazil. "It is a loving gesture to Christians in Brazil" at a time when "we are addressing the spread of these 'sects'."

For the Vatican, the stakes are high. Brazil is the geographic and economic heart of Latin America, home to the world's largest concentration of Roman Catholics.

Although conversions are happening across class lines, the real struggle for the church is in the sprawling urban shantytowns and poor rural enclaves where evangelists continue to build new churches at a rapid pace. And here, one of the Catholic Church's new weapons is Deusdete Alves.

In the dense hilltops above Rio, Mr. Alves, 37, is knocking on a door in the damp evening rain. His group of five "new missionaries," ages 19 to 67, have climbed a narrow, steep pathway in the Rocinha shantytown, considered South America's largest urban slum.

"Hello!" he cries. "It's the Catholic Church!"

The door of a shack creeks open, and Zelda Gomes de Souza, mother of five, peers out. She seems hesitant, but warms up after a bit of light banter about the Pope's approaching visit. She invites the group in, and explains she is a lapsed Catholic who does not go to Sunday Mass. She's tried out the Universal Evangelical Church, she says, but is not quite sure about them. "They keep on asking me for money," she says.

"But you can be Catholic by just coming to our Bible service on Wednesdays," Mr. Alves says. "We're all equal there. There is no priest preaching to you, telling you what you have to do. No one is better than anyone else. Everybody can express their feelings about God exactly as they want to."

Although experts say such teachings go against the Vatican's laws, the Catholic Church in Brazil has had to rely on these lay "celebrations" conducted without priests to survive.

Another problem experts see is that even as the Catholic Church modernizes its methods, its teachings have stayed conservative. In fact, the Vatican has made strides to undercut the power of the more liberal leaders of the Catholic Church in Brazil in recent years, experts say. And the Pope's visit to Rio, some analysts say, is also a show of faith in its arch-conservative prelate, Cardinal Eugenio Sales.

SCHOOLS: *Many Forms of Alternative Education Spread in U.S.*

Continued from Page 1

Researchers at the Education Department say the number of students being taught at home has tripled this decade and now exceeds 1 million.

A new industry is emerging from that growth, complete with mail-order curricula, computer learning programs, even centers that offer home schooled children a chance to socialize with each other.

Meanwhile, enrollment at private academies that emphasize the Bible or Christian principles has doubled in the past 10 years. The Association of Christian Schools International was formed in 1980 with about 1,200 member schools. Now, it includes nearly 4,000 schools across the country and more than 800,000 students.

What all of these changes mean is a subject of debate. Some educators look at how fast the alternatives to traditional public schools are expanding and see signs of profound change ahead. They say the structure of public education, created a century ago in the throes of the Industrial Revolution, is antiquated and that parents nationwide seem to be searching urgently for new models.

"We're in the early stages of what could be a very significant shift in how many children are educated," said Ted Kolderie, an education analyst at the University of Minnesota and one of the nation's leading advocates of charter schools.

Others contend that even though the popularity of innovations such as charter schools seems to be jolting public schools out of decades of torpor, their impact is still marginal and may be destined to stay that way. Nearly 90 percent of students attend public schools.

"Most people are not going to abandon public education," said David Tyack, a professor of education at Stanford University. But he added: "We need to understand why parents are turning to these forms of schooling."

The migration transcends race, class and geography. Charter schools are being opened in wealthy suburbs and in the poorest urban neighborhoods. Christian schools, often a refuge a generation ago for whites fleeing desegregated public schools, have growing appeal to black families. Home schooling, once widely perceived as a dubious form of education used mostly by religious zealots, is going mainstream, embraced by an array of professionals who are working at home and taking advantage of new computer technology that helps children learn.

Kathleen Moore, a psychotherapist who is home schooling her 7-year-old daughter in Boulder, Colorado, is one of the new converts. She spent several hundred dollars on a mail-order curriculum kit and began work last month. She instructs her child every morning in reading, math and science, then has her spend a few hours in a new public school program that offers activities such as art or music.

Ms. Moore said that one of the main reasons she did not enroll her daughter full time in public education this fall was that she feared the large size of classes there left teachers with little time to give students personal attention.

But skeptics worry about the impact of charter schools on the public school system. Students who go to charter schools take along the money a public district had been spending on them. Analysts also fear that the alternatives are luring the most committed parents.

Richard Elmore, an education professor at Harvard University, can foresee a time when some beleaguered systems in mid-size cities become doomed.

"There could be some very serious consequences," he said. "If you get a bunch of charter schools and a few private education companies in one city, and they start attracting thousands of kids, you could lose whatever leverage you have left in the system pushing for higher quality."

DEAL: *WorldCom Makes Surprise $30 Billion Bid for Rival MCI*

Continued from Page 1

Nabisco Inc. by Kohlberg, Kravis, Roberts & Co. in 1989, WorldCom is proposing to pay only stock, so it would have no out-of-pocket expense. The amalgamations of Bank of Tokyo Ltd. with Mitsubishi Bank Ltd. and of Ciba-Geigy AG with Sandoz AG were both slightly larger than $30 billion.

Investors seemed to agree with the bid. WorldCom's stock was little changed in afternoon trading, slipping 81.25 cents, to $34.5625, indicating its shareholders were not displeased by the bid, which is worth $41.50 per MCI share. MCI jumped $5.9375, to $35.3125, and in London, British Telecom stock was up 32.5 pence, at 442 pence.

Mr. Ebbers said MCI was worth more to his company than to BT because the two American companies are similar and allow for cost savings. He was careful to say most of these would come from reducing corporate overhead and marketing costs, although he did not rule out staff reductions. WorldCom and MCI would have "far greater synergies and savings than BT can," he said. "They just don't live here."

WorldCom is offering a fixed $41.50 value of its stock as long its shares trade in a band of $34 to 40. MCI shareholders would get a maximum of 1.2206 WorldCom shares and a minimum 1.0375 shares if the stock's average price is outside of that range in the 20 days before the deal closes.

British Telecom's offer valued MCI at about $25 billion in November, but then BT reduced its bid by about $5 billion in August after MCI warned that its local-telephone operations would lose $800 million this year and possibly more in 1998.

BT would hold about 10 percent of WorldCom's stock, and could have a seat on its board "if it behaved properly," Mr. Ebbers said at a news conference in New York.

Mr. Ebbers said he thought British Telecom would be willing to work with his company. "It is an inconceivable conclusion for me that they would not want to participate," he said.

"British Telecom is going to be shocked to own a stock that grows 50 percent a year," he said. "They are not used to that."

Asked why WorldCom waited until now to make its approach, Mr. Ebbers said his company could not have outbid the original BT offer by a sufficient amount to make it advantageous for all of the parties. The latest BT cash-and-stock bid, however, was worth only $32.64 a share when it was made in August.

If the bid succeeds, Mr. Ebbers said WorldCom and MCI customers might see price reductions because of the cost savings and the merged companies' ability to offer products to a larger audience.

In addition, WorldCom is hoping to show savings of $800 million in 1999 as a result of the deal and $1.8 billion a year by 2002. If the companies do not negotiate with WorldCom, MCI's shareholders will have a chance to vote for the takeover later this year.

Mr. Ebbers's appetite, however, seems to be large. During his presentation, he said that "After we get our deal finished with MCI we might acquire British Telecom."

Although a later comment indicated he was not serious about that, he also said several times that WorldCom had considered acquiring AT&T Corp. before making the MCI bid.

When asked if he was "serious or kidding" about his interest in AT&T, Mr. Ebbers said, "Both."

Russian Defense Chief Meets NATO Peers

Reuters

MAASTRICHT, Netherlands — Defense Minister Igor Sergeyev of Russia met NATO defense ministers for the first time Wednesday and reassured the United States that the Russian military had tight controls over its nuclear weapons.

The spokesman for the U.S. Defense Department, Ken Bacon, said the assurance was given by Mr. Sergeyev in a cordial bilateral meeting after Defense Secretary William Cohen raised concerns about reports that Russia was transferring nuclear technology to Iran.

At an equally friendly get-to-know-you meeting with the alliance's 16 members, Mr. Sergeyev said Russia — which struck a historic partnership with NATO this year — would send a military liaison officer to the alliance's Brussels headquarters in October or November.

Mr. Sergeyev once was the chief of Russia's strategic rocket forces.

BOSNIA: *TV Facilities Seized*

Continued from Page 1

tions handed over to the Plavsic supporters in towns such as Brcko, damaged the drive begun this summer to isolate Mr. Karadzic and turn western Bosnia over to Mrs. Plavsic.

In the operation Wednesday, by contrast, heavy security was set up near the towers to prevent people from reaching the sites. Combat helicopters hovered over the transmitter on Mount Trebevic, near Sarajevo, and troops from the peacekeeping force blocked the roads with armored personnel carriers.

NATO officials in Sarajevo said the troops involved in the operation were American, French, Italian, Scandinavian and Polish.

Russian soldiers also participated by setting up roadblocks at several locations, the officials said. There were no reports of violence.

Under an agreement reached Sept. 2, the Bosnian Serb hard-liners in Pale agreed to stop inciting television viewers against international organizations, including the 35,000-strong peacekeeping force.

Shortly before the agreement, Pale television broadcast footage calling the peacekeeping operation "an army of occupation" and equated its presence to that of the German Army during World War II.

For the last few days, the television broadcasters alternated days with the pro-Plavsic studio in Banja Luka. The nightly broadcasts saw the two factions spew vitriol and hate at each other.

SHEIKH: *Deadly Foe Released*

Continued from Page 1

in Mr. Netanyahu's judgment, apparently belonged to King Hussein.

What created it was a cloak-and-dagger episode last week in which, Jordanian officials said, Israeli agents using exotic technology tried to kill another Hamas leader, Khaled Meshal, in Amman.

That operation, if confirmed, would mark the first such Israeli strike in the capital of an Arab country with which it is formally at peace. It deeply embarrassed the Hashemite monarch, already engaged in delicate political negotiations with his own Islamic opposition.

Without naming Israel, but hinting strongly that the Israelis were responsible, King Hussein said Tuesday in Zarqa that the government knew well who was behind the attack, which left Mr. Meshal in intensive care at a military hospital outside Amman.

Twice in the speech, he called on Mr. Netanyahu to order Sheikh Yassin's immediate release, and semi-official Jordanian newspapers reported that the monarch demanded Sheikh Yassin in exchange for the two alleged agents of Israel's Mossad intelligence organization.

The attack on Mr. Meshal and his bodyguards was initially described as part of a traffic dispute involving two Canadian tourists.

But Jordanian and Palestinian officials said that interrogation of the men disclosed that they held Israeli nationality as well and had come on a mission to kill the Hamas political leader.

Moshe Fogel, chief of Israel's government press office, declined to confirm or deny those assertions.

According to Abdel Aziz Rantissi, a Hamas leader in the Gaza Strip, Mr. Meshal's assailants attacked him with a device that poisoned him.

Mr. Meshal's bodyguards gave chase, and the two men fled first by car and then on foot. As they were fighting with the bodyguards on an Amman street, policemen arrived and arrested them.

"The Israelis, in their terrorist attack against Meshal, insulted the Jordanians because they attacked on Jordanian territory," Mr. Rantissi said in a telephone interview. "So they tried to correct their mistake against King Hussein by releasing Sheikh Yassin."

The Muslic cleric, 61, who is quadriplegic and in poor health, received a life sentence in 1989, a year after establishing Hamas as an offshoot of the pan-Arab Muslim Brotherhood. A military court convicted him of ordering the murders of Palestinians deemed to be collaborating with Israel.

In April, Mr. Netanyahu gave up Israel's bid for extradition of Mousa Abu Marzook, a senior Hamas political leader then living in the United States.

BRIEFLY

Congo to Send Force To Congo Republic

KINSHASA, Congo — President Laurent Kabila said Wednesday that he would send soldiers to neighboring Congo Republic to hunt for artillery pieces that have shelled and killed civilians in Kinshasa, capital of Congo.

At a joint news conference with President Pascal Lissouba of the Congo Republic, Mr. Kabila said that "an observation unit" would set up a security corridor in Mr. Lissouba's capital, Brazzaville, as part of the hunt for the guns. *(Reuters)*

Ruler of Nigeria Assails His Critics

ABUJA, Nigeria — Nigeria's military ruler lashed out at his country's critics Wednesday in an Independence Day speech, but failed to say whether he would run in elections he has promised for next year.

Many Nigerians had hoped that General Sani Abacha, who seized power in a coup in 1993, would use the speech to outline his plans for the coming year, when he has pledged to hold elections and hand over power to a civilian government on Oct. 1, 1998. *(AP)*

Israeli Extradition?

JERUSALEM — In an about-face, Israel said Wednesday that it would review its decision to try a teenage suspect in a Maryland killing in Israel rather than extradite him to the United States.

Samuel Sheinbein, 17, of Wheaton, Maryland, fled to Israel last week and has been charged with a murder. Under Israeli law, Mr. Sheinbein is considered an Israeli citizen because his father is. *(AP)*

ITALY: *Communists Balk at Welfare Cuts*

Continued from Page 1

"Germany in some sense might be relieved, but from our point of view, it is a disaster," he said.

Italian markets slumped at the news of an imminent crisis, although they picked up somewhat by the end of the day. But analysts predicted that stocks and the lira would tumble if the government collapses.

In years past, government crises were frequent occurrences in Italy, and one of the reasons this country of 56 million people, a founding member of the European Community and host of the world's sixth largest economy, still has trouble being taken seriously by its northern neighbors. Germany's reluctance to include the Italian lira in the new currency — a major political concern in the German election campaign — is largely based on the view that Italy is still not capable of the kind of fiscal rigor and political continuity that a shared currency would require.

But the current Italian government, which has been in place since April 1996 has pursued a single-minded goal of bringing Italy's public spending in line with the criteria set for the European common currency, due to be introduced in 1999. And by and large, it has been successful: Italy's budget deficit, which was 9.7 percent in 1993, is now 3.8 percent, within reach of the 3 percent limit set for those countries that want to join the first launch of the euro, as the new currency is called.

The budget, approved by the government over the weekend and now on its way to Parliament, was to be one of the last remaining pieces to Italy's "euro puzzle." It would trim another $14.5 billion from the deficit, with $2.9 billion in cuts to Italy's pension and health care systems.

It was these last cuts, which were already cut in half during prebudget negotiations, that apparently have caused the Refounded Communist Party, led by the feisty Fausto Bertinotti, to make its break with the Prodi government.

The Refounded Communist Party, a splinter party that broke off from the larger, more moderate Party of the Democratic Left upon the breakup of Italy's once-mighty Communist Party in 1991. The hard-liners are not part of the ruling coalition, but the votes of the 35 Refounded Communist deputies in Parliament's lower house are the key to the government's parliamentary majority.

The hard-line Communists have threatened repeatedly to pull the rug out from the Prodi government and in April this year, they came close to toppling it with their vote against an Italian-led United Nations' mission to Albania. This time, again, few people believed warnings by Mr. Bertinotti, insisting that his hard-nose leftist constituency would never forgive him for bringing down a leftist government.

"Nobody expected this crisis because nobody took Mr. Bertinotti seriously," said Mr. Caracciolo. Even Italy's major unions had urged support of the government budget, after reluctantly agreeing to tackle reforms of Italy's old-age pensions — the most generous in Europe. But several analysts agreed Wednesday that they had underestimated Mr. Bertinotti's willingness to take a high-risk gamble, and to reassert his political clout.

"The last thread is hanging from the government or rather, the government is perhaps hanging from its last thread," said Mr. Bertinotti, after his party voted to oppose the government's budget.

JAPAN: *More Economic Gloom and Doom*

Continued from Page 1

markets to U.S. products. The good news is that some of the weak numbers indicate that restructuring is, in fact, already under way, economists say. But while those changes may eventually create a more dynamic economy, for now, the changes are triggering a "crisis of confidence," said Russell Jones, chief economist for Lehman Brothers in Tokyo.

For example, Fumishige Saito, a 49-year-old manager at an insurance company who was interviewed on his way to lunch Wednesday, said that he was going to wait another year to buy a car and that he goes out to dinner half as much as he used to. "I just don't think the economy is doing well," he said.

Mamoru Suzuki, 58, a computer company executive, said he was delaying work on his house, although he has not suffered a pay cut, while Takashi Higure, 30, a government employee, said his concerns about the economy were causing him too to put off buying a car.

"I think the Japanese people are coming to terms in a very painful way with the fact that their economy is not what they thought it was," Mr. Jones said. "When I came here 10 years ago, the Japanese thought their system was indestructible."

That atmosphere has now been replaced by the opposite — an excessive level of pessimism that has caused consumers to cut back on spending far more than economists expected. With the litany of bad news, Japanese business executives are pressuring the government for tax breaks and other changes to stimulate the economy. Top officials of Japan's largest business group, the Keidanren, met Wednesday with officials of the Ministry of International Trade and Industry to say they were exasperated with the continually upbeat assessment by the government.

"I hardly hear that domestic demand is getting any better," Hiroshi Saito, chairman of Nippon Steel Corp., told MITI officials. "It is getting worse day by day in some industries. Some industries are doing well, but . y are in part supported by a weak yc and exports."

"The pressure is immense for the government to come up with a stimulative package," said Mineko Sasaki-Smith, chief economist at Credit Suisse First Boston's Tokyo office.

In the United States, some companies have been urging officials to talk the yen higher.

That would make Japanese exports to the United States more expensive and American goods here cheaper.

"The danger is, if you do that, you kick away the last support the Japanese economy has, and then you get a recession, which will result in an even bigger trade surplus," Mr. Jones said.

"You also expose the Japanese banking sector to more risk at a time when the Asian banking sector is a mess."

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INTERNATIONAL

Dmitri Lovetsky/The Associated Press

CLOSIN' TIME — A Russian officer arresting a worker involved in bottling smuggled liquor, a growing business, near St. Petersburg.

Russian Singers Crooning the Income Tax Blues

By Daniel Williams
Washington Post Service

MOSCOW — You think the U.S. Internal Revenue Service has ways to humiliate suspected tax evaders? Try Russia.

A dozen Russian pop singers were invited by the State Tax Service to hear a lecture on why they should pay their taxes. Not only were the stars herded into the tax office, but a stern lecture and the singers' whining responses were broadcast on national television.

"People are not indifferent to how their idols pay their taxes," the tax director Alexander Pochinok said.

Not surprisingly, the stars were not happy about their new role as civic exemplars. Virtually in chorus, they complained about being singled out — small wonder, since, depending on amounts and types of income, Russians are burdened by income tax rates as high as 95 percent.

"If the state attacks us with its power, of course it will win. It will twist our hands, take off our pants, etc!" lamented one of the singers, Oleg Gazmanov.

The tax rap, which took place Monday, was front page news in several Moscow newspapers, although in some articles the diamond-studded sunglasses of one star got as much attention as the tax issue.

In any event, the spectacle was a symbolic shot in the government's long — and thus far unsuccessful — battle to get Russians to declare their incomes and pay their taxes. Last summer, an effort to get government officials to declare their incomes fell flat when several reported remarkably low earnings and others simply failed to hand in their declarations.

The inability of President Boris Yeltsin's government to collect taxes is one reason it is chronically late in paying government and military salaries. To make up shortfalls, it has had to borrow at high interest rates or sell state properties, frequently at discounted prices.

Last year, the Yeltsin government was able to collect only about 60 percent of the estimated tax revenue due, according to official statistics. In the first three months of this year, only 57 percent of projected tax revenues for the period were collected. Individuals are not the only scofflaws. Big businesses, including some that are partly owned by the government, routinely misrepresent their incomes.

Last week, Mr. Yeltsin declared in a speech that the era of laxity was at an end. He acknowledged, however, that the key to enforcing collection was missing: legislative passage of a new tax code to replace Russia's confused and widely ignored compendium of tax laws. The draft code is currently languishing in the Duma, Russia's slow-moving, opposition-dominated legislature. In a televised appearance Monday, Mr. Yeltsin warned that the delay "points to an obvious constitutional rift."

"Let the Duma think about what the president ought to do in such a case," he said, pointing a finger at the camera. The proposed tax code would reduce the top income tax rate to about 35 percent. To make up for possible revenue shortfalls, new sales taxes and a value-added tax also would be introduced.

Mr. Yeltsin said that lower effective income tax rates would stimulate economic growth, but critics regard the code as regressive. The measure is "likely to mean a greater tax burden for the poor," wrote Yulia Latyina, an analyst affiliated with the newspaper Izvestia.

Poverty did not seem to be a problem for the pop stars gathered at the tax office. They arrived in limousines and were stylishly dressed in the latest New Russian fashions — for women, bright red dresses and big hats; for men, double-breasted suits in pastel colors or retro hippie garb.

To hear them talk, it seemed that the more the singers performed, the less money they made. Indeed, much in the style of the throaty ballads popular here, their after-meeting comments dripped with pathos.

Alla Pugacheva, Russia's most popular singer, acknowledged that even she found it laughable that her husband, Filipp Kirkorov, also a rock star, had declared only $2,000 in earnings last year. Nonetheless, she said that the expenses of touring caused her to live in debt. She suggested a tax holiday.

"Let us work in peace for two years, to earn money for retirement," Ms. Pugacheva said.

A crooner, Igor Nikolaev, said that if taxes were set too high, the only performers left would be "children of bankers who will sing no-talent songs with no-talent voices."

3 Die as Algeria 'Truce' Starts

The Associated Press

ALGIERS — On the day an Islamic faction was scheduled to begin a cease-fire, at least three people were killed in a shooting blamed on Islamic militants, hospital sources said Wednesday.

Four people were wounded in the shooting on the highway between the cities of Blida and Medea, about 60 kilometers (37 miles) south of the capital, the sources said.

They also reported an incident Monday night in which attackers slit the throats of six people and burned their bodies in the village of Sidi Merzoug, about 300 kilometers southwest of Algiers.

The latest killings came after a round of attacks since Saturday in which almost 100 people have died.

No other details were immediately available on the attacks, and no group immediately took responsibility. But suspicion fell on Islamic militants whose five-and-a-half-year insurgency is estimated to have claimed at least 75,000 lives.

The Islamic Salvation Army, armed wing of the banned Islamic Salvation Front, last week called a cease-fire for Wednesday, but there was no way to determine whether it had gone into effect.

A more violent insurgent faction, the Armed Islamic Group, has vowed to continue its attacks in an attempt to destabilize the military-backed government of General Liamine Zeroual.

The Islamic Salvation Army is considered a diminished force, with bases in eastern and western Algeria but no presence in the Algiers region, where much of the violence takes place.

The militants are seeking to overthrow the government and establish a state based on Koranic law.

U.S. Tax Agency to Soothe Public Ire

Los Angeles Times Service

WASHINGTON — In response to an outpouring of taxpayer wrath in Senate hearings last week, the Internal Revenue Service has announced that it will open its doors nationwide Nov. 15 to any taxpayer with a complaint.

All 33 district directors of the IRS have been ordered to meet in person with the public in an effort to relieve taxpayer frustration.

The agency plans to continue holding such open-door complaint sessions once a month, said Treasury Secretary Robert Rubin, answering critics who have disparaged the IRS as an insulated bureaucracy.

Arrangements for the coast-to-coast event — dubbed National IRS Problem-Solving Day — are still being made, but IRS officials insisted they would have more than enough staff on hand and did not expect long lines.

"Taxpayers will be able to go to 33 locations around the country to discuss their problems face-to-face with IRS personnel," Mr. Rubin said. "We will then hold a similar day once each month, which will give taxpayers a chance individually to resolve the problems."

In public hearings, the Senate Finance Committee heard from four taxpayers who were hounded for up to 17 years by IRS agents.

Agency officials issued a public apology and acknowledged that serious errors had occurred.

As a result, the acting IRS commissioner, Michael Dolan, said Tuesday that the agency has suspended four managers while it investigates the cases of abuse and mistreatment.

The complaint sessions mark a significant departure from traditional IRS practices, in which the public seldom has personal contact with the agency — unless it involves an asset seizure for delinquent taxes.

IRS district directors have maintained a low profile in the communities where they serve, despite wielding enormous power. The complaint sessions are meant to bring them in closer contact with the public so they can better understand where the tax system has gone astray, Mr. Dolan said.

Nov. 15 was selected because it falls on Saturday, giving taxpayers the opportunity to deal with their problems without missing work.

U.S. Will Send 2 Boat Hijackers Back to Cuba

Reuters

WASHINGTON — The United States will return to Cuba two men who hijacked a Cuban patrol boat with assault guns last week, the State Department announced.

"The two men admitted to the hijacking when interviewed by INS asylum officers," the State Department spokesman, James Rubin, said Tuesday. "They were found not to be entitled to protection and will be returned to Cuba."

The U.S. decision to return the two men was criticized by the Cuban exile community in Miami, where such actions are considered heroic attempts to flee President Fidel Castro's government.

Cuban exiles argued that the returned men would not get a fair trial in Cuba. But the U.S. government appeared intent on discouraging Cubans from leaving the island by force.

The men, a port security guard and his brother-in-law, commandeered the boat on Sept. 25, taking four people hostage.

■ Talks on Terrorism

The United States and Cuba have held their highest-level talks in six years, with the U.S. ambassador to the United Nations, Bill Richardson, and the island's foreign minister, Roberto Robaina, meeting to discuss terrorism, The Associated Press reported from New York.

Mr. Richardson and Mr. Robaina talked Tuesday about "several things, including terrorism," a U.S. official said. He would not elaborate.

Swiss Drop Bank Guard Case

Agence France-Presse

ZURICH — Swiss legal authorities said Wednesday that they had dropped proceedings against Christoph Meili, a former bank guard who had been charged with violating bank secrecy laws by rescuing Nazi-era documents from destruction in a shredder. Mr. Meili, who is now living in the United States, had been dismissed from his job as a night watchman at the Union Bank of Switzerland for taking about 65 documents that he saved from the shredders to Jewish community leaders.

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Herald INTERNATIONAL Tribune
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U.S. Interference

The $2 billion Iranian gas-field development contract signed by the Total oil group of France, Gazprom of Russia and Petronas of Malaysia is doubly unfortunate. It will provide new funds to a government that is exporting terrorism, developing nuclear weapons and disrupting peace efforts between Israel and the Arab world. The contract could also trigger the first application of the Iran-Libya Sanctions Act, an ill-advised law that attempts to impose American penalties on foreign companies doing energy business with Iran or Libya.

The sanctions act, crafted primarily by Senator Alfonse D'Amato of New York and signed by President Bill Clinton last year, is intended to force Europe's policies on Iran into line with those of the United States.

Instead it drives Europe and America further apart. Washington and Paris should be talking about how to change Iran's unacceptable policies. Instead they are now engaged in a noisy, unproductive dispute over Congress' attempts to legislate beyond American borders.

This trans-Atlantic quarrel comes at a time when there are signs that Iran may be reconsidering its policies following the recent election of Mohammed Khatami, a relative moderate, as president. The West should now be sending coordinated signals that Tehran can secure increased international investment and an end to American sanctions if it abandons its dangerous behavior.

Mr. Clinton must decide what penalties, if any, to apply against the offending foreign companies. At most, he could bar all three from any trade with the United States. He should instead emphasize diplomatic responses, including continued discussions with France, despite the rebuff Prime Minister Lionel Jospin gave Washington this week.

The United States, in defense of its own national security, rightly bans American oil companies, like Conoco, from developing Iranian energy resources. But most European countries dispute American contentions about Iranian terrorism and nuclear weapons programs and insist that maintaining what they call a "critical dialogue" with Tehran is the most effective way to influence Iranian policies.

In the case of France, with its extensive and long-established business dealings with Iran, this approach is a smoke screen for subordinating global security to commercial gain. France has also unhelpfully appointed itself the world's leading challenger of American diplomacy and economic ideas.

Iran's weapons development programs, support for terrorism and disruptive diplomacy pose grave dangers not only to American interests but to the security and prosperity of Europe as well. Washington needs to keep the strongest possible pressure on France to restrain its commerce with Tehran. Yet the D'Amato law dilutes the case by shifting the argument from Iran's dangerous conduct to America's legislative interference in its allies' sovereign affairs.

—THE NEW YORK TIMES.

Lott's Maneuver

Trent Lott, the Senate majority leader, having magnanimously allowed campaign finance reform legislation to come to the floor, now proposes to kill it with an amendment affecting the use of labor union dues for political purposes. He thinks he can summon the votes for the amendment, after which the theory is that the Democrats, who are the principal beneficiaries of labor support, will do the rest of his work for him by halting the underlying bill. The transparency offers him the best of both worlds: The bill will be defeated, but he won't have been the one to have done it.

The amendment would require unions to get the written permission of individual members before spending any of their dues for political purposes. The Paycheck Protection Act, its sponsors call it with mock solicitude. "Our political system depends upon one's freedom to participate without even the slightest degree of compulsion," the assistant majority leader, Don Nickles, says. But in fact under labor law such freedom already exists; there is no such compulsion. No worker in America can be forced to join a union. In some states, workers covered by union contracts who decline to join can be required to pay the equivalent of union dues, but they already have the right, under a 1988 Supreme Court decision, to have the political portion of those dues refunded. The reform bill would codify that decision; the amendment would go beyond it, not necessarily incapacitating the unions but creating an extra hill for them to climb.

Question One is whether Mr. Lott is right in thinking he has the votes. Everyone understands what kind of vote this is — a vote not on labor law but on campaign finance at one remove. A number of Republicans have indicated support for the reform legislation — perhaps enough, assuming all 45 Democrats also vote no, to set the Lott amendment aside. Do they vote with their leader or do they vote for reform?

Question Two is what happens if Mr. Lott prevails. Once again it is a question of senatorial will. Proponents of reform said before the August recess that they were willing to tie up the Senate — prevent it from taking any or most other action — until they got a clear shot at a clean version of the reform bill. You presume they meant not just a chance to talk for a few days, take a test vote on a deflective amendment and quit, rather that they intend to press for a straight up-or-down majority vote on the bill itself. Do they do it at the risk of violating the accommodative code by which the Senate normally lives, or do they cave? What finally matters most to them is what's what the vote on Leader Lott's amendment will begin to tell.

—THE WASHINGTON POST

The Gun Law Works

You would think that by now the lobbyists and handgun manufacturers associated with the National Rifle Association would have stopped pretending that the Brady Law doesn't help curb illegal gun traffic in the United States. Despite a Supreme Court ruling in June — that the federal government hasn't the power to require local police to conduct background checks on handgun buyers — the law is working. Police still can, and do, use the five-day waiting period to check criminal records, and studies continue to show that the law works. The idea behind the law, and why the measure enjoys overwhelming public support, is that it makes purchases of handguns by convicted felons and other prohibited purchasers — those adjudicated mentally defective or subject to a restraining order — more difficult.

Though solid statistics for the period since June 27 have yet to be compiled, those areas that have been running checks have stopped substantial numbers of prohibited purchasers. A study issued last month by the Center to Prevent Handgun Violence cites Justice Department statistics estimating that in the 50 states a total of 173,000 transactions were stopped by background checks since February 1994. This doesn't include those who, because of the background check, did not even attempt to buy a gun.

The study by the center found that, in addition, the Brady Act has had an impact on gun trafficking. And while many factors affect the use of handguns in violent crimes, the use of these weapons in crimes since the enactment of Brady happens to have been on the decline. Another possible contributor to the decline has been the enactment of laws limiting purchases to one handgun per person per month.

Among all the commonsense reasons for the Brady law's popularity is one finding of special interest to gun owners, collectors and yet-to-be purchasers: Nothing in the act prevents a law-abiding citizen from obtaining a firearm. Douglas Weil, director of research for the center and author of the report, notes that earlier research has *shown that gun owners are* "generally supportive" — including "those who identify themselves as members of the National Rifle Association."

The NRA leaders — those who spent heavily and lobbied intensely to try to defeat the Brady bill — may never be able to embrace it by name. But they're happy to take credit, of all things, for supporting the concept of background checks. The more supporters the better.

—THE WASHINGTON POST.

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America on Its High Horse Is Asking for a Fall

By William Pfaff

PARIS — The decision of French, Russian and Malaysian energy companies to develop an Iranian gas field will produce still another international row over sanctions and the current American disposition to legislate for the world.

The D'Amato-Kennedy law, passed last year by Congress, requires U.S. sanctions against any company making a major investment in Iran.

The French (and European Union), Russian and Malaysian governments will naturally defend their companies, creating what used to be called an international "incident" but which has now become something closer to an ongoing legal border war between America and the rest of the world. It is not a war Washington is going to win.

The international mood already is sour as a result of Washington's refusal to join the international ban on land mines, its resistance to limits on carbon dioxide emissions and its unwillingness to pay its UN dues, even though obligated to do so by treaty. The last of these controversies follows from another effort by Congress to dictate international behavior by way of U.S. legislation.

Secretary of State Madeleine Albright has asked for "pragmatism" from other members of the UN, arguing that "the UN cannot flourish if it does not enjoy the full confidence of the American people and their elected representatives."

This translates as asking the United Nations to take whatever part of the unpaid dues Congress is willing to offer, accept the conditions Congress puts on the money and make the best of it. Naturally this does not greatly impress governments accustomed to paying their UN bills. As Norway's foreign minister, Bjorn Tore Godal, asked last week, how long can Norway expect its citizens "to continue financing free riders"?

James Schlesinger has just published an excellent article on the general question of American unilateralism. It appears in the fall number of The National Interest quarterly. Mr. Schlesinger — defense and energy secretary (1973-75 and 1977-79, respectively), and before that director of Central Intelligence (1973) — writes that unrivaled post-Cold War power, native self-righteousness and America's national taste for moralizing judgments on others have combined to make the United States the "nigh-on universal international nag," even as Washington declines to follow the international rules and sometimes defies international law.

The nagging goes much beyond the verbal and usually takes the form of economic sanctions against countries and foreign companies displeasing to Congress or to a particular administration. "During President Clinton's first term alone," Mr. Schlesinger writes, "the United States imposed new unilateral economic sanctions, or threatened legislation to do so, 60 times on 35 countries that, taken together, make up about 42 percent of the world's population."

It does this for several reasons. First of all, the Clinton administration lacks a coherent and positive foreign policy that could be defended against congressional interference. Its policy is a compilation of reactions to factional economic and political pressures inside the country.

It does what corporate interests and electoral combinations dictate. Iranian sanctions, as Mr. Schlesinger writes, result mainly from Senator Alfonse D'Amato's interest in pleasing New York Jewish voters.

The attraction of sanctions legislation is that it seems a cost-free as well as a vote-getting way of responding to international problems without actually doing anything. It is an affair of grandiose gesticulations.

However it is not cost-free. It tends to penalize U.S. trade and economic relations more than it penalizes those who violate the international prohibitions proclaimed by Congress. Total, the French company that led the $2 billion deal with Iran, is, as the Wall Street Journal has noted, "virtually impervious to U.S. retaliation." It has negligible interests inside the United States and small exposure in the U.S. market.

All three of the governments concerned with the contract benefit from standing up to U.S. pressures, both in domestic politics and in trade and export negotiations. Russia's Gazprom profits from having a powerful EU partner in developing Iranian energy exports.

Both Russian and French governments please voters by resisting what is seen as American bullying. And Malaysia, of course, of all the new Asian industrial economies, is the most vehement in defying Western pressures.

Senators D'Amato and Edward Kennedy did all of them a favor with this legislation, which blocks American oil companies from Iran — with the fifth-largest oil reserves in the world — and damages U.S. competitive prospects in the ex-Soviet regions dominated by Gazprom.

The two senators were following a fashion that originated in the executive branch of government under earlier administrations. Calls for sanctions, identification of "rogue states" and denunciation of sinners have become routine in American foreign relations.

Yet sanctions against Iran have never influenced Iran's foreign policy in a direction America wanted, nor its policy with respect to terrorism, and they no doubt never will. It is naive to think otherwise.

These American attempts to legislate the conduct of others devalue American authority and reputation. The gratuitous — and, worse, futile — antagonizing of other countries merely encourages them to oppose the United States. As Mr. Schlesinger notes, "the tolerance of our allies, and of others whom we would have follow us, is not inexhaustible." As the biblical proverb has it: "Pride goeth before destruction, and a haughty spirit before a fall."

International Herald Tribune.
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In the Go-Go Global Economy, a Creeping Sense of 'Oh No'

By William Greider

NEW YORK — An edge of anxiety has crept into the celebration of America's supposed triumphant economy. Maybe because it's autumn. Manias and panics in the financial markets typically occur in October or November, for very human reasons. When the days are growing shorter, investor optimism may shrivel with the leaves.

Or perhaps the new uneasiness stems from a creeping recognition that deeper disorders are stalking the global economy — deeper than the business cycle. A friend notices increasing references to the "O word" and the "D word" — overcapacity and deflation. Neither term is in the usual lexicon of economic observers. They hark back to earlier eras, when booms mysteriously turned into busts.

Early this year, an article in the Wall Street Journal announced that the globalized economy had entered a "new era" of stronger, trouble-free prosperity. In August, the newspaper revised the outlook.

Actually, the Journal reported, many industrial sectors are burdened by dangerous levels of overcapacity, too much potential output and not enough buyers. This glut, it said, promises ugly shakeouts ahead — failing companies, more closed factories — if not something worse.

For the same reason, a cover story in The Economist summed up the global auto industry this way: "Car firms head for a crash." The industry will be able to produce nearly 80 million vehicles by the year 2000 for a market of fewer than 60 million buyers. The imbalances create downward pressure on prices and reduce return on sales. More factories must close, more large companies will merge or fail.

The Financial Times reported that, thanks to the deluge of investment, even a hot market like China is now stuck with overcapacity, from cars to chemicals to electronics. A couple of years back, every multinational rushed to build plants there and catch the wave of China's rising consumption. Now factories, not consumers, are overabundant.

Some respected Wall Street observers are now expressing concern, as the glut of productive capacity drives down prices and, eventually, profits. James Grant, editor of Grant's Interest Rate Observer, noted a general glut in areas as diverse as semiconductor plants and aircraft factories. "There are too many hotels in Phoenix and there is too much manufacturing capacity in China," he wrote.

If a general deflation does occur, whether sudden or gradual, it will generate a negative cycle of falling prices and wages, depressing output and financial values, from real estate loans to stocks and bonds.

William Gross, the respected managing director of Pacific Mutual Investment Co., which manages more than $90 billion in bonds worldwide, now pegs the risk of a general deflation at 1 in 5 over the next several years.

"My deflationary fears are supported by two arguments — exceptional productivity growth and global glut," Mr. Gross said. He cites twin causes: real wages, both in the United States and abroad, cannot keep up with the rapid growth of new production — that is, there won't be enough demand to buy all the excess goods. And emerging economies create aggressive new players eager to outproduce and underprice everyone else.

Why did the euphoria suddenly dim? The abrupt stall-out of Southeast Asia's booming economies was a consciousness-raising event. It began as a financial crisis in Thailand, then swiftly spread to Malaysia, Indonesia, the Philippines.

The visible disorder that gets official attention involves finance — dramatic currency devaluations, overexposed banks, the sudden flight of foreign investors. But the underlying cause, as some acknowledge, is overcapacity.

Thailand is a classic illustration of how financial markets can get ahead of reality and destabilize the real economy of producers and consumers. Bankers and investors are so busy lending and investing and bidding up prices that they don't see that the new factories they're financing may not be able to sell their output.

The typical explanation for gross overcapacity is that misguided managers and their bankers got carried away. That truism does not explain much.

Here's another explanation: The overcapacity problem is driven by globalization itself, as it interacts with technological innovations. The fierce cost-price competition leads companies to take measures — cutting labor costs, modernizing production, trading jobs to gain access to hot markets — that both erode the worldwide consumption base and create excess output.

As established companies struggle with the imbalances, new competitors enter the market. South Korea intends to be a major player in autos and semiconductors. So eventually does China, then India.

All this does not prove, of course, that things will fall apart. In the 1890s, when similar deflationary conditions endured for years amid industrial revolution, the economy continued to expand, albeit with periodic banking crises and horrendous recessions. It was not until the late 1920s that supply-demand imbalances crashed the world economic system.

Too many things and not enough people with the money to buy them: The combination could mean some ugly shakeouts ahead.

Today's deflationary pressures in the industrial system will inevitably interact with the financial system. When investors discover that the boom in corporate profits cannot continue indefinitely, they will sell stocks and bid down prices, a disaster if they do so all at once.

Last winter, Alan Greenspan, chairman of the Federal Reserve, courageously tried to tamp down the market euphoria. His jawboning failed, but he has since backed away from his own stern operating principles for monetary policy.

The economy, he used to preach, cannot be allowed to grow faster than 2 percent to 2.5 percent without risking inflation. If unemployment falls below 5 or 6 percent, he warned, workers will win real wage increases in tight labor markets and thus generate inflationary pressures. Now he is permitting both to occur. For good reason: prices are still declining.

Why are these flush conditions not producing inflation? Because with the global overcapacity, too many goods are chasing too little demand.

If so, then the reflation of wages becomes a necessary part of any Fed strategy to back out of the danger zone. Wages have finally begun rising again in real terms, but only modestly. The so-called Clinton boom is distinctive from earlier cycles because, despite five years of economic growth, family median income has still not recovered from the last recession.

It's no secret how consumers cope: They borrow to keep buying. Household debt has reached an astonishing 91 percent of disposable personal income, compared with 65 percent in 1980, according to the Financial Markets Center. No one knows at what point the buyers will be tapped out. Consumer debt is being assumed on punishing terms.

Will central banks have the wisdom to declare victory and back off now that inflation is approaching zero? In other words, the Federal Reserve should be cutting interest rates now, not keeping them steady, as the board did Tuesday, or raising them again, if it wishes to avoid the dark possibilities of overcapacity and deflation.

The politics of accomplishing this is treacherous. The central bank has to develop a monetary strategy that is more generous to wage earners, buyers, borrowers and business enterprises — and that will require reduced returns for financial assets.

Mr. Gross, the California fund manager, believes financial markets will accept the end of the "super bull market" once they understand the fundamentals. As he explains, investors have enjoyed a hidden annual bonus from disinflation for 15 years. As the Fed pushed down price levels, the real value of their wealth steadily increased.

That's over. Instead of 15 or 20 percent real returns, Mr. Gross expects 6 percent returns ahead. I suspect many investors will resist and pressure the Fed to keep interest rates high.

Nonetheless, the central bank has to begin explaining things to its political constituents in the bond market and banking. We are, indeed, in a "new era," but not the one that Wall Street is celebrating.

The writer is author of "One World, Ready or Not: The Manic Logic of Global Capitalism." He contributed this comment to The New York Times.

The Weightlessness of Space Policy

By Daniel S. Greenberg

WASHINGTON — To understand NASA's decision to risk another astronaut in a long and purposeless ride on Russia's ramshackle Mir space station, it's enlightening to comprehend the weightlessness of American space policy.

Permanently traumatized by *the Challenger catastrophe*, NASA has no stomach for Mir, a celestial hulk for which the controlling legal authority is Murphy's Law. But early in the Clinton administration, NASA was ordered to provide work for ex-Soviet space engineers, lest they find new careers in rogue countries. Mir, launched in 1986, was one of the few intact remnants of the once-mighty Soviet space establishment.

NASA chose to wring whatever value it could from its politically dictated assignment by integrating the Soviet craft into the centerpiece of the American space program — the space station. Conceived as an encore to the moon landings of 1969-71, the space station is a marvel of engineering for which no sensible use has ever been identified. The often-cited potential is research under micro-gravity conditions for developing new materials for industrial purposes. But corporate America, which is unsentimentally shrewd about how to make money from research, has tellingly declined to come aboard with cash participation.

That hasn't derailed the project. Without the station, NASA would have no reason to maintain an astronaut corps, nor would there be much use for the exorbitantly expensive space shuttle, which is to haul construction materials into space for building the station. NASA's future is lashed to the space station. Though they gagged on orders to take on the decaying Russian space program as a partner, our politically savvy space politicians recognized *that a foreign policy cornerstone* for the station is no handicap.

Skeptics jeered about the cost of helping the impoverished Russians. But, employing its branded chimerical accountancy, NASA announced that the linkup with Mir would save the U.S. space program $2 billion, though, in fact, the United States has paid the Russians more than $400 million for American astronauts to ride on Mir, while the cost of the space station has mushroomed, as is usually the case in these matters.

But cost is not a serious problem in space station politics. With contracts concentrated in California, Texas and Florida, and sprinkled around the country, the station is home free in Congress. And with Vice President Al Gore shepherding the station for the administration, the project is safe at the other end of Pennsylvania Avenue, at least through the year 2000 presidential election.

The justification for risking U.S. astronauts on the problem-plagued Mir is that they're gaining valuable experience in coping with the problems of weightlessness. But few in the space business take that seriously, given that the Russians have accumulated 11 years of Mir experience in weightlessness, and the United States has acquired a great deal on its own spacecraft. Prior to the most recent U.S. launch to Mir, five American astronauts had accumulated many months on board the Russian spaceship. At the time NASA was agonizing over another trip to Mir, only two more American visits were planned.

As usual, NASA maintains that important scientific experiments are conducted aboard *Mir. But NASA's* inspector general, Roberta Gross, recently reported that the rickety Mir, with its frequent power failures, is not hospitable to scientific research. And Charles Harlan, a former senior official at the Johnson Space Center — NASA's link to the Mir program — noted in a letter to NASA headquarters, "I would doubt that there is any mandatory Life Sciences research remaining on Mir in order to support the development of the Space Station." Mr. Harlan added, "I personally do not see any compelling NASA need for continuation of joint operations with Mir, especially in light of the perceived risk to human life involved."

Perhaps the most dismaying element in the NASA-Mir saga was revealed in Inspector General Gross's recent testimony at a House Science Committee hearing. Noting the Johnson Space Center's "overriding goal to continue participation in the U.S.-Russian partnership," she reported that, despite concerns about Mir's safety among staff members at the center, "some of those employees have also said that they feel it would jeopardize their careers to be frank in their opinions, observations and assessments of the Mir program."

The writer is editor of Science & Government Report, a Washington newsletter.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Typhoid Spreads

LONDON — The outlook at Maidstone is a very gloomy one. There were 112 fresh typhoid cases notified, raising the total to 1,152. New cases are being reported every hour. Eight of the borough police force are now affected, and during the past few days the mortality has been exceptionally heavy among the young. The local authorities will have several temporary hospitals in use by to-day [Oct. 2]. These, however, will not be enough, and it is probable some of the elementary schools will be converted into sick wards next week.

1922: Alert in Lisbon

MADRID — Reports that a revolutionary uprising is imminent continue to come from Lisbon. Orders have been issued to the military and naval forces to hold themselves in readiness for any emergency. The Portuguese Cabinet met to discuss a possible revolutionary outbreak being prepared by officers who are dissatisfied owing to the insufficiency of the increase in their pay.

1947: Jerusalem Trial

JERUSALEM — The British Army put Captain Roy Alexander Farran, of the Third Kings Own Hussars, on trial by general court martial in a rifle-guarded courtroom behind barbed wire in Jerusalem. Captain Farran is charged with murder in the disappearance last May of a sixteen-year-old Jewish boy, Alexander Rubowitz. But tonight [Oct. 1], with the trial possibly half over, it had not been proved that Captain Farran was involved or indeed that a crime had been committed. Rubowitz, reputedly a junior member of the Stern group terrorist organization, is supposed to have died during questioning.

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OPINION/LETTERS

Don't Let Clintonians Set Testing Standards

By William Safire

WASHINGTON — At the moment when Congress is grappling with the education lobby's bid to centralize power with the national testing of students, comes The New York Times with a stunning series that shows how the world's leading testing organization has for years been a patsy for cheaters.

Bill Clinton has just shown himself to be a true believer in snatching from parents the local control of their children's education. He threatens to veto federal support of state education unless "voluntary" testing — using standardized tests created by the Great Cookie Cutter in Washington — is imposed on the states.

But the danger of undue reliance on testing is laid out in the Times series by Douglas Frantz and Jon Nordheimer *(IHT, Sept. 29)*. In exposing the ease with which hundreds of cheating teachers in Louisiana made a mockery of exams produced by the Educational Testing Service, the reporters dashed a bucketful of reality into the faces of the crusaders doing their best to march from school uniforms to scholastic uniformity.

Perhaps that's why some Cajun test-beaters wrote that "the Louisiana English Language Arts Standards draft document is the work of a team of primarily teachers from throughout the state," a sentence prompting The New Orleans Times-Picayune "to wonder what a 'primarily teacher' does."

The debate today is not about testing, a necessary teaching tool. A well-constructed test reinforces what you've learned and exposes what you have failed to learn. And a snap quiz is a real waker-upper.

So I'm not knocking tests. Rather, I'm resisting national standards — regimented ways of thinking and computing, directed downward from the top — in a nation that should celebrate diversity and individuality.

This reflects a classic disagreement between America's founders. Alexander Hamilton believed in concentrating power to forge a nation; Thomas Jefferson countered with rights to protect the individual. Today, William Jefferson Clinton is on Hamilton's side of nationalization and elite establishment control.

Those groupthinkers say: Never mind who writes the laws of a nation, or even its popular songs; let us write its tests. Everybody is for "higher standards" in education. The question is: Who sets the standards and writes the tests?

The American tradition has been to entrust such decisions to local school boards, run by involved parents and teachers in that community, with review by state authorities, and with the feds intervening only when states fail to protect a student's constitutional rights.

That is a great tradition. It permits experiments in early child development to be emulated elsewhere if and when they work. It prevents horrendous mistakes nationwide, such as adoption of a brainwashed history curriculum that some multikulturkampfers wanted to inflict.

Maybe "fuzzy math" is a terrific idea, and a future generation will rely on calculators to balance its checkbooks. But before we abandon arithmetic, let's see how total reliance on an electronic crutch adds up in some locality — and if its users can compete later.

We're only talking about math and English, say the national standard-bearers, and shucks, it's only voluntary. Don't believe that; if the nose of that camel gets under the tent, the hump of a national curriculum, slavish teaching to homogenizing tests, and a black market in answers would surely follow.

Despite the last-ditch efforts of the Clinton-Hamiltonians, the moving force in America today is centrifugal. (That means "away from the center." Its meaning was indelibly impressed on my mind because I got it wrong on a physics test.)

The New York Times.

Rotten Cow Head With Maggots: Is It Art or Is It Just Disgusting?

By Paul Mullin

SEATTLE — Yes, it's shocking, disturbing, even infuriating, but is it art?

A new exhibition has re-ignited the infamous fight over the line between art and its commoner cousin, sensationalism.

But haven't we heard it all before?

As a matter of fact, the debate has raged on and off for at least 2,500 years. And as a general rule, the artistic health of any moment in history can be gauged by how vigorously and sincerely the battle was fought.

The Royal Academy of Arts opened a show in London on Sept. 18 titled, candidly enough, "Sensation." It includes a huge portrait of a convicted child killer made from the tiny hand prints of children, and a glass box containing a rotting cow's head complete with live flies and maggots.

Indeed, the only overarching theme binding the works seems to be their shock value. But the curator, Simonetta Fraquelli, defended the show. "To say that this is not art is to limit where art begins and ends," she said.

In the United States, the conservative congressmen now going after the National Endowment for the Arts would no doubt be happy to draw a bold, black line for Ms. Fraquelli, delineating the beginning and the end of art.

The Christian Action Network, meanwhile, has unveiled an Internet site featuring examples of what it calls "the most controversial artworks funded by the NEA." Even the titles of some of those works are unprintable here.

As a sort of asterisk to the whole debate, Tag Heuer, the Swiss watch manufacturer, has recruited athletes such as Boris Becker, the swimmer Amy Van Dyken and the decathlete Dan O'Brien to pose nude for the photographer Herb Ritts in a promotion for its new line.

The photographs have been displayed at a New York gallery and are now on a national tour. Is it art? Or simply another cynical salvo of advertising?

It's tempting to think that there must have been a simpler time when these weighty questions did not need to be asked. But if such a time existed, it must have been long before Phidias, the greatest of the ancient Greek sculptors.

In 432 B.C., Phidias was arrested and convicted of sacrilege and "misappropriation of public funds" (sound familiar?) after he carved an image of himself and his sponsor, Pericles, onto the goddess Athena's shield in the Parthenon. Some accounts say that Phidias was exiled, others that he died in prison.

The United States has been in the fray right along. In 1847, for instance, a group of Cincinnati clergymen piously debated whether the sculpture "The Greek Slave," depicting a naked woman, could be exhibited. The work was finally deemed acceptable because, as the clergymen put it, "her hands were chained and her undraped condition was beyond her control."

The furor has been with us, on and off, since 1987, when the photographer Andres Serrano placed a crucifix in a container of his own urine and took a picture of it. But even his scurrilous tactic was borrowed from the past.

In 1917, for instance, Marcel Duchamp, the Big Daddy of Dada, signed and dated a urinal, titled it "Fountain" and put it on display at the Society of Independent Artists in New York. Showing more creativity than most of today's opponents of the National Endowment for the Arts, a group of critics dismissed the piece as plagiarism, because the artist had not created the porcelain sculpture himself.

Duchamp fired back in a letter, quirkily defending himself in the third person: "Whether [the artist] with his own hands made the fountain or not has no importance. He CHOSE it. He took an ordinary article of life ... [and] created a new thought for that object."

Duchamp earnestly aimed to knock art off its bourgeois pedestal, a noble goal for any age. But even understood in its historical context, a urinal displayed as art is a one-shot wonder, hardly a masterpiece.

And as much as a crucifix submerged in urine or a cow's head crawling with maggots may succeed in shocking us into an aesthetic impasse, such things still fall far short of offering any deep insights.

At best these works are "maintenance art," shattering our preconceptions and widening our perspective so that when a great work of art comes along, we're ready.

The "what is art" debate has probably always been dominated by the extremists at either end: those who say, "Art is whatever anyone says it is" and those who say, "Art is whatever I say it is."

Obviously, both roads run just as surely to art's graveyard.

Since the best art thrives in the crucible of the question, we should celebrate the debate rather than seek to resolve it. Art is humanity's highest form of communication: a constantly renegotiated agreement between two or more people to expand each other's perception and understanding.

The person willing to state unequivocally the meaning of art is a blowhard. The person willing to share unabashedly the meaning of art is ... an artist.

The author, a playwright, is currently writing "Treasures of the World," a documentary series for U.S. public television about the world's great artworks. He contributed this comment to The New York Times.

MEANWHILE

'To say that this is not art is to limit where art begins and ends,' a curator argues.

LETTERS TO THE EDITOR

Blair's Plans

Regarding "Just What Are Britain's Plans for EMU?" (Oct. 1):

While the tenor of the Labour government's European policy is more favorable than that of its Conservative predecessor, Prime Minister Tony Blair is under no illusions on the issue of European monetary union. He knows his backbenches are as riven as the Conservative ranks.

Nevertheless, it would be timely for Mr. Blair to demonstrate some of his formidable nerve by announcing a statement of intent for participation in the single currency as soon as possible.

Attempts to test the markets with the unofficial spin of media consultants are disrespectful to Parliament, discourteous to our European colleagues and risk invoking the wrath of the City.

GRAHAM WATSON.
Brussels.

The writer is a member of the Economic and Monetary Affairs Committee of the European Parliament.

On Jerusalem

"Why is there outrage when three families move into a legally purchased home in Jerusalem?" asked Ronn D. Torossian *(Letters, Sept. 30)*. Answered simply, because it is not a problem of property rights but of national rights.

The families moved into the Ras al Amud area in order to gain an Israeli foothold in a Palestinian neighborhood and to develop an even larger Jewish enclave there.

No consideration of property rights can override the contentious issue of national rights. That is why the Oslo negotiators, in their wisdom, stipulated that the problem of Jerusalem be left to the end of the peace process. With the status quo maintained, mutual confidence would increase.

The Ras al Amud affair destroys such confidence and decreases the chances of Jews and Arabs being able to live together in peace. The Israelis who moved in, armed to the teeth, belong to groups that are consistently and actively opposed to the peace process. Their expressions of desire for "peaceful coexistence" are plainly hypocrisy.

AVRAHAM SHOMRONI.
Tel Aviv.

Hope for Poland

Despite deep concern, the outcome of recent parliamentary elections in Poland is not going to affect the economy in a negative way.

Having been responsible for Polish economic policy as deputy prime minister and finance minister from 1994 to 1997, I am confident that the main course of reform will be continued. Although it will be extremely difficult to repeat the remarkable achievements of the outgoing government, the new coalition may be able to push development still further.

Structural and institutional reforms will contribute to the sustainability of Poland's high rate of growth and bring the country to the doorstep of European Union membership by the end of the new parliamentary term in 2001.

The great paradox of Polish politics is the fact that the Solidarity Election Action coalition and the Freedom Union will be forced to continue the previous government's economic program that, despite their active opposition, was implemented so successfully and led to membership in the Organization for Economic Cooperation and Development.

Solidarity Election Action's own economic program would be a real threat for the transition to a market economy due to its populism, xenophobia and financial laxity. The Freedom Union's program would cause social unrest and destabilization owing to its radicalism and liberalism. Both plans would slow growth and erode competitiveness.

But a compromise between the two can work. Gradual structural reforms, a new institutional setup, social awareness and an active role of the state — these should be the main features of their policy. It should be open to both foreign participation and to domestic entrepreneurs.

Such a marriage has served the Polish purpose so well in the past. Let it be similar in the future.

GRZEGORZ W. KOLODKO.
Helsinki.

The writer works with the World Institute for Development Economics Research in Helsinki and is an adviser to President Aleksander Kwasniewski of Poland.

Missing Air Bags

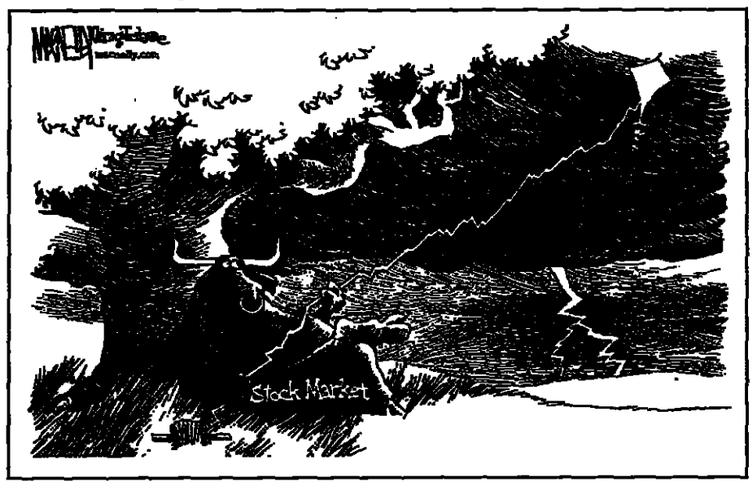
The automotive safety research community is saddened by the untimely death of Diana, Princess of Wales, and the others in her vehicle.

Celebrities traditionally do not wear seat belts in the rear seat of cars. In spite of the violence of the impact, if Diana and Dodi al Fayed had been wearing the available restraints or had been riding in a vehicle equipped with rear-seat air bags, they might have survived.

In the United States, a defective vehicle is one that the manufacturer knows is unreasonably dangerous for its intended use. In this case, the Mercedes limousine, whose rear seat passengers are a principal safety concern, provides only seat belts, which customarily are not used.

DONALD FRIEDMAN.
Santa Barbara, California.

The writer heads a company specializing in automotive safety research.



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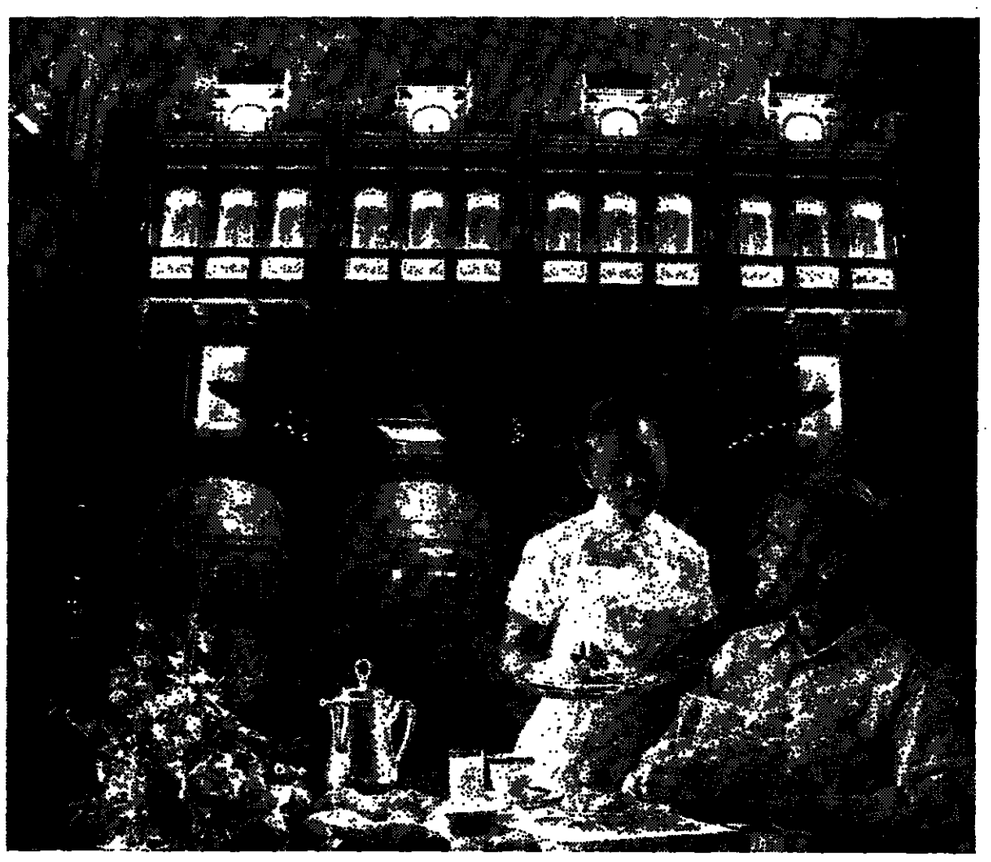

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LONDON FASHION

The Wizard Of Knitwear

City Takes Center Stage

By Suzy Menkes
International Herald Tribune

LONDON — With a whoop of joy, designer Julien MacDonald ran down the runway, embracing the supermodels wearing his saucy webs of knitwear. His inventive, imaginative show was a fitting end to a lively London fashion week that has brought the swinging city to center stage.

With a sprinkling of big players and myriad quirky innovators, London seems finally to be making it into the international arena.

"I loved that — it summed up the whole season — fun, wearable, colorful and full of energy," said Nicole Fischelis of Saks Fifth Avenue after MacDonald's show. "It's where British fashion should be."

To some extent, it is the cocky confidence of the British designers, reflecting the effervescent spirit of the city, that has made the spring-summer season seem exceptional.

But MacDonald's show was impressive by any standards. This Welsh wizard of the knitting machine sent out brief playful dresses, fringed, fluffy or paillette-edged hemlines just grazing the rear and the bodice dangling from decorative straps.

In such a tiny area, MacDonald packed in his ideas: knitting that was alternately lacy, sheer, stretchy, latticeworked and glimmering silver, or glowing with color and geometric pattern. The inventiveness burst out in clusters of ragged ends, artistically worked, or in a tramway of knitted flowers.

Surely these bikini pants, kimono jackets and that mad stole looking like sequined feathers couldn't possibly all be knitted?

"One hundred percent knit!" said a jubilant MacDonald backstage, praising the skill of the Italian knitwear factories. They too should be grateful to have found a designer who is reinventing knitwear in a youthful, wearable way for a new generation.

The conundrum for British designers is how to harness their creativity to a commercial bandwagon — rather than just being known as inventive eccentrics. But it was dispiriting to see Vivienne Westwood's secondary line tamed to a mish-mash parade of girly outfits. The setting was appealing: the newly restored Globe Theatre, with a "Midsummer Night's Dream" set and an Elizabethan quartet. But for what? Pert or prissy junior-miss outfits (read mini-skirted sailor suits and milkmaid dresses) shown with familiar vertiginous platform soles. Inevitably the models stumbled. So had the designer.

BUT then what was Richard Tyler's show about? Why would the American-based designer known for finely crafted clothes and delicate tailoring cross the pond to show so-called hip sportswear in hideous colors, with stretch pedal pushers making even acceptable outfits seem weird? It must have been a misreading of the current London scene, where street looks are right off the runways and the focus is on cutting and craftsmanship — which is just what Tyler really stands for.

How difficult it was to assess Antonio Berardi's collection. Here was a superbly crafted show, exquisite in its detail and presented with great panache — but with an aesthetic that is so close to John Galliano's that Berardi looked like a couture clone.

You couldn't argue with the quality or the breathtaking workmanship: the trellis of ribbons worked into a flirty dress (which is Berardi's thing). The dresses came also edged with minuscule pleats, with openwork fagoting, or with a whorl of flowers at the hem. Knits were dainty, delicate, lacy and sexy. The opening dress of feathery white lace knit, fringed at the hem, worn by Naomi Campbell making a star appearance, summed up the sexy romanticism of the show.

Moore/Thomas

Julien MacDonald's openwork glitter-knit dress.

But that particular combination of raunch and romance is Galliano territory. And Berardi has to accept that he appears to be following in another's high-heeled footsteps — unless he can turn his talent to a different track.

The venues of the London shows have opened up hip downtown areas to the fashion crowd, with MacDonald showing at Spitalfields Market in the revitalized Dickensian East End. Berardi chose a club in Brixton, London's Harlem, where Bella Freud also presented perky suits and dresses in an ill-advised parade of "homeboy chic."

The internationalization of London fashion week was proven by shows from Tyler and the American sportswear company Nautica, and by Ghost, a British company, which returned from showing in New York to present its flimsy dresses with whimsical decoration.

According to John Hoerner, the chairman of London Fashion Week, the volume of buyers and business have proved the event "a pretty big success." American buyers were enthusiastic.

"In a way, London's shocking days are over — now the quality is there — I think England has grown up and become more mature," said Bonnie Pressman of Barneys.

"Those who are good have come to fruition — and this time in London, it has all come together," said Joan Kaner of Neiman Marcus, who, like the other fashion professionals, is now off to the shows in Milan.

HEALTH/SCIENCE

TOMORROW: LEISURE

A Half-Cure for the Cold

By Thomas H. Maugh II
Los Angeles Times Service

LOS ANGELES — Researchers for the first time have reduced the severity of the common cold using a nasal spray to block the entry of cold viruses into the body, a finding that could change the way colds are commonly treated.

Eventually, should the drug be approved, a person confronted by a sick child, an infected roommate or a sneezing lover could simply squeeze the nasal spray into his or her nose. It wouldn't stop that person from catching a cold, but it would cut symptoms by half without the annoying side effects of antihistamines and other cold remedies, researchers told a meeting of the American Society of Microbiology in Toronto.

The nasal spray has been tested in only 177 people so far, however, and it will be several years before it will be available, Dr. Ronald B. Turner of the Medical University of South Carolina, said. "I don't know if I am willing to say that we have a cure for the common cold," he said at the meeting, "but this technology looks promising. It reduces symptoms dramatically."

If the drug works as well as he predicts, it could have a major impact on society. People contract about 100 colds during their lifetimes. Young children can catch as many as 12 per year.

According to the National Health Survey, colds cause 79.5 of every 100 U.S. males and 94.5 of every 100 females to miss at least two days of work or school each year.

Vaccines don't work for colds because the sneezing, sniffling disorder is caused by as many as 200 different viruses. Blocking all, or even most, of them with one vaccine is simply impossible.

But in the mid-1980s, researchers discovered that as many as half of those viruses enter the body by binding to a single receptor in the nose. In 1989, two different groups, one sponsored by Boehringer Ingleheim Pharmaceuticals and one by Bayer Corp., reported that they had identified and cloned that receptor, a protein molecule called ICAM-1.

The race was on to develop a drug that would bind to ICAM-1 and prevent the virus from attaching to it and entering the body. The first heat of that race was apparently won by Boehringer, which developed the compound Dr. Turner studied. Dr. Turner and Dr. Michael Scheid of the University of Virginia tested the new compound, called BIRR 4, in 177 people. Some of the subjects were given the drug seven hours before they were exposed to a cold virus, part were given it 12 hours after the exposure, and the rest received a placebo.

Those receiving the drug either before or after exposure had about 50 percent fewer symptoms — such as stuffiness, headache, cough, runny noses and sore throats — than those receiving dummy sprays. By comparison, over-the-counter cold remedies reduce symptoms by about a third, and they do so by reducing the body's own immune response to the virus rather than blocking its entry.

AND while antihistamines in such remedies can make the user sleepy or cause other side effects, Dr. Turner said that BIRR 4 produced few such effects.

Dr. Scheid cautioned, however, that it is too early to tell if the treatment will be cost-effective. The company must also test the drug for long-term safety as well as effectiveness.

Dr. Scheid noted that if the drug works it would probably be most useful in the fall and late spring, when colds caused by rhinoviruses — the group that targets ICAM-1 — are most common. Colds in winter are more likely to be caused by other types of viruses that use a different receptor.

Stern Report on Diet and Cancer

By Marian Burros
New York Times Service

NEW YORK — Just as a backlash against the nutritionists' strict limits on the levels of meat and alcohol in the diet seems to be gathering steam, cancer researchers are calling for even less meat and no alcohol at all.

On the basis of an extensive analysis of the scientific literature on the worldwide causes of cancer, the American Institute for Cancer Research, a nonprofit educational organization that assembled a panel of international researchers, has issued a report forcefully reiterating that what we eat has an impact on cancer risks. The recommendations have been designed for those in both rich and poor countries.

Taking its lead from the Environmental Protection Agency's characterization of the cancer risk from chemicals, the report divides the evidence of the link between foods and cancer into four categories: convincing, probable, possible and insufficient. For example, the report says there is probable evidence that meat increases the risk of colorectal cancer but that there is only possible evidence of its link to breast and prostate cancer.

The recommendations do not mince words: "If eaten at all, limit intake of red meat to less than 3 ounces daily. It is preferable to choose fish, poultry and meat from nondomesticated animals in place of red meat."

For Americans and those in other developed countries, the recommendation that fats and oils provide 15 percent to 30 percent of total energy is more precise than advice in earlier reports, which do not suggest a lower limit. But this issue brought disagreement from one panelist, Dr. Walter Willett of the Harvard School of Public Health; his disclaimer, the only dissenting voice, is included. Dr. Willett maintains that the panel did not find probable or convincing evidence that dietary fat causes cancer.

Despite a movement encouraging people to see wine as benign and even healthful in offering some protection against heart disease, this new report says: "Alcohol consumption is not recommended. If consumed at all, limit alcoholic drinks to less than two drinks a day for men and one for women." But the report contains no recommendations for dairy products, citing insufficient evidence as to their link to cancer risks.

The recommendations that do not differ from earlier reports include eating five servings a day of fruits and vegetables (15 to 30 ounces, or about 425 to 850 grams) and seven servings of grains and legumes (20 to 30 ounces), and limiting salt consumption to six grams a day. And like earlier reports, this one stresses the importance of not smoking, of maintaining ideal body weight and of exercise.

The report was prepared by a panel headed by Dr. John D. Potter of the Fred Hutchinson Cancer Research Center in Seattle.

Dangers of Secondhand Smoke

By John Schwartz
Washington Post Service

WASHINGTON — When studying human health risks, there are few slam-dunks as compelling as the case against tobacco. However, the case against secondhand smoke has been harder for scientists to prove, and attempts to do so have invariably met with controversy. At the same time, the first class-action lawsuit in the United States over the effects of secondhand smoke is under way in a Florida courtroom. And the Clinton administration continues to push for tighter restrictions on smoking in public places.

A new wave of research, while not yet conclusive, appears to be adding weight to the argument that secondhand smoke poses serious risks at high levels. "The science continues to reinforce the harm of secondhand smoke," said Michael P. Eriksen, head of the Health and Human Service Department's Office on Smoking and Health. "The weight of the evidence is clear to everybody except those who have a vested interest in denying science."

It might seem commonsensical that what's bad for the smoker would also be bad for the nonsmoker — after all, the same toxins found in cigarette smoke make their way into the lungs of nonsmokers. But those exposed to secondhand smoke get far lower doses of tobacco's toxins than smokers do — rough estimates put the figure at 1/70th. As toxicologists are fond of saying, "the dose makes the poison," and small doses of a potentially harmful substance might not hurt you, in part because the body is so good at repairing minor damage.

Still, secondhand smoke has been declared a health risk by the National Research Council, the Environmental Protection Agency and in reports of the surgeon general. Each finding has been attacked by the industry. When the EPA declared secondhand smoke a "Class A" carcinogen, as hazardous as radon — and estimated it was responsible for 3,000 lung cancer deaths annually, the tobacco industry sued to force the government to retract.

SINCE then, large population-based studies have generally supported the initial EPA findings. The most recent example is a report from California's Environmental Protection Agency, a comprehensive survey of the scientific evidence for health risks of secondhand smoke. The report cites evidence not just for cancer and heart disease, but also a host of other ailments — from exacerbation of childhood asthma and increased risk of sudden infant death syndrome to cervical cancer and spontaneous abortion.

A tobacco industry spokesman dismisses the report as "nothing new," but its supporters disagree. "This is going to be the most definitive governmental report on secondhand smoke for the next several years," said Stanton A. Glantz, a researcher at the University of California, San Francisco.

Another recent report is smaller in scope but offers another line of evidence supporting the health risks of secondhand smoke, experts say. In findings reported at the annual meeting of the American Chemical Society last month, Stephen Hecht of the University of Minnesota Cancer Center said he had detected the metabolized leftovers of a cancer-causing substance found only in tobacco smoke in the urine of nonsmokers exposed to everyday amounts of secondhand smoke. The substance, NNK, in animals causes adenocarcinoma, a lung cancer common to smokers.

This research is among the first that goes beyond the statistical approach and attempts to describe a path of disease causation. "We feel this presents a link" between exposure and disease, Dr. Hecht said. But the true level of risk posed by secondhand smoke will be very difficult to ever firmly establish, according to John C. Bailar, chair of the department of health studies at the University of Chicago.

"The fact is, there's a lot we don't know," Dr. Bailar said. "Both extremes are wrong. We cannot act as if every potential hazard was as strong as the largest possible limit. On the other hand, if we wait to deal with the problem until the proof is absolutely solid, we have waited too long. We do not want to wait until we have to count the dead bodies."

BOOKS

BOYHOOD:
Scenes From Provincial Life

By J.M. Coetzee. 166 pages. $22.95. Viking.

Reviewed by Mark Mathabane

J.M. COETZEE'S novels are sometimes criticized by uninitiated readers as obscure, surprisingly devoid — for such a gifted writer from as wrenchingly political a country as South Africa — of a political stance, filled with allusions and symbols that sometimes require a Talmud of commentary to illumine. His nonfiction has tended to compound this criticism because of its heavy scholarly emphasis. And comparison to Nadine Gordimer, whose works boldly delineate life under apartheid, hasn't helped.

"Boyhood" is a charmingly accessible book. It is the memoir of a sensitive soul, absorbing the elemental impulses of life for later use in such complex masterpieces as "Waiting for the Barbarians" and "The Life and Times of Michael K." Coetzee writes about his childhood in a way suggestive of an attempt to follow Keats's dictum of "negative capability," which maintains that for poets (artists) to understand their subjects fully, they must free themselves from their own biases, emotions and limited points of view, and merge with that which they are describing and attempting to understand.

At first it strikes one as rather odd for a memoir to be written in the third person, as Coetzee's is. But this has the effect of broadening his emotional and imaginative range within the constraints of a memoir. As Keats put it, imagination and feeling are better agents of truth than reason and logic.

"Boyhood" is in many ways a Bildungsroman. It revolves around Coetzee's awakening to the "mighty world of eye and ear" around him, and to the interior world of feelings and ideas. This awakening occurs principally in the cities of Worcester and Cape Town, which are situated in the Western Cape, a lovely region full of with pastoral scenery.

Coetzee's childhood in these two towns is filled with complicated relationships — with his mother, father, relatives, neighbors, schoolmates. The one with his mother is the most complex and formative. She's a lover of Shakespeare and Ingrid Bergman, and is fond of regaling the young Coetzee with stories of her own childhood on a farm — stories in which he takes refuge, and which expose, among other things, the anti-Semitism in South Africa at the time. The writer is so aware of the opprobrium heaped on Jews that when called a "Jood" by bullying schoolmates he denies it and says he's a Roman Catholic.

"Boyhood" is replete with stories about life in the Western Cape following World War II, during which South Africa fought on the side of the Allies, even though some Afrikaner leaders were sympathetic to the Nazis. The writer experiences the kind of life typical of white children at the time: going to the bioscope (as movies were called), discovering the joys of the veld, playing cricket and rugby, discovering the world of books, learning (awkwardly) about sex in a puritan society, realizing the unsettling presence of apartheid, learning to silently rebel against it and, finally, dealing with the illness and death of loved ones.

What is often considered a weakness in Coetzee's work — he is the most apolitical of great South African writers, especially when compared to his contemporary Gordimer — is also a source of his greatest strength. And it is abundantly displayed in "Boyhood." Relationships are dispassionately explored in all their ambiguities, and emotions and events are analyzed with such vividness and artistic power that a different and, ironically, a more South African Coetzee emerges.

Even though Coetzee grew up on the sunny side of life, as black South Africans would say, he is one of us. His heart and sensibilities and empathies are African — because they are so intensely human. The boyhood Coetzee describes, privileged though it is, is as real as the boyhood of a black growing up in one of South Africa's hellish ghettos. Together they make a powerful statement about what Zulus call Ubuntu — the quality of being human. This quality, when found in both blacks and whites, compels each to give the other the benefit of the doubt, and enables a nation steeped in racism and oppression to achieve the miracle of disenthralling itself from such a bitter past.

Mark Mathabane, the author of "Kaffir Boy" and other books, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

EVERY tournament player knew the Man in the Bow Tie. He was Maurie Braunstein, who died last Saturday at his home in Schenectady, N.Y., at 83, and he was one of the world's great tournament directors. When he retired recently after 43 years of service at regional, national and world championships, his friends gathered for a party. Everyone wore a bow tie, and that included the women and the dogs.

His colleagues knew him as a master of movements, a contributor to the theory of tournament organization. The bridge public knew him as a man who was efficient, charming and witty. One story in tournament lore concerns a deal that was something like the one in the diagram.

Sitting North and South were Father Tobin and Father Moynihan, Two Roman Catholic priests who regularly played together and had a reputation for leisurely performance. They regularly exceed the allotted time, and on this deal they went overboard.

First North thought about his response to one heart. Should he bid two no-trump to describe a balanced hand? He chose two clubs, intending to support hearts later. After much consideration his partner jumped to three no-trump, which was ambiguous. Did it show a hand slightly too strong for an opening one no-trump?

After much thought North bid four no-trump, introducing further ambiguity. Was this Blackwood? Most modern players would treat it as a natural invitation, but this was not so clear when the deal was played 30 years ago.

Three minutes later South bid six no-trump, and that would have been right. But North was aware that he had not supported hearts, and his partner had been jumping around like a kangaroo. While he was pondering, Braunstein arrived to take a look. This table was holding up a roomful of players.

Conscious of the eagle eye of authority, he blurted out a seven-heart bid after a mere two minutes of contemplation. The bidding ended, and Braunstein departed.

South began thinking when a spade was led, the dummy appeared and the spade jack won the first trick. How was he going to find the heart queen? The percentage play, by a small margin, was to play the king and follow with a jack for a finesse. Against that, West had made a risky lead away from the queen, suggesting reluctance to lead a trump. There was a five-minute pause.

Nobody remembers whether Father Moynihan made seven hearts. What is remembered is that at this point Father Braunstein arrived and intoned: "Our Fathers, which art in seven, hurried be thy game."

NORTH
♠ K 8 5
♡ K J 3
◇ A J 4
♣ K 10 9 3

WEST
♠ Q 10 7 6
♡ 5
◇ Q 8 7 3
♣ J 8 4 2

EAST
♠ 9 4 3
♡ Q 7 6 2
◇ 9 6 2
♣ 7 6 5

SOUTH (D)
♠ A J 2
♡ A 10 9 8 4
◇ K 10 5
♣ A Q

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	2 ♣	Pass
3 N.T.	Pass	4 N.T.	Pass
6 N.T.	Pass	7 ♡	Pass
Pass	Pass		

West led the spade six.

IN BRIEF

Mystery of Mutant Frogs: Something in the Water

WASHINGTON (WP) — The case of the mutant frogs, a baffling environmental whodunit featuring Minnesota frogs with gross deformities, may be close to yielding a culprit: an unknown substance in the water.

For the past several years, researchers have reported discovering frogs in Minnesota with unexpectedly high rates of developmental abnormalities, including missing limbs, extra limbs and even one frog with an eye growing in its throat.

Since the initial scientific reports of the Minnesota frogs surfaced, severely malformed frogs have also been found in other states, southern Canada and in Japan. The abnormalities caused concern among environmental scientists because the amphibians serve as delicate "sentinel species" whose health problems may warrant concerns for humans.

In the new research, state and federal scientists grew embryos of a frog commonly used in research, Xenopus, in water from northern Minnesota wetland sites where deformity rates were high. The researchers also allowed different embryos to develop in a variety of watery environments ranging from no Minnesota water to 100 percent Minnesota water over a four-day period.

At concentrations above 50 percent, deformities were common, according to results released in St. Paul, Minnesota, by researchers from the Minnesota Pollution Control Agency and the National Institute of Environmental Health Sciences, a part of the National Institutes of Health. Tadpoles grown in water from ponds without deformed frogs developed normally.

"We know that something in the water, including groundwater used by human residents for drinking water, is extraordinarily potent in malforming frogs," said George Lucier, director of the institute's environmental toxicology program.

Researchers are now testing the water, hoping to isolate the chemical causing the mutations and to study the health of people living near the affected ponds.

Diabetes and Pregnancy

CHICAGO (Reuters) — Women who smoke cigarettes or gain weight in early adulthood increase their risk of developing diabetes during pregnancy, according to a recent study.

Researchers at Brigham and Women's Hospital and Harvard Medical School said they based the conclusion on a study of 14,613 women who delivered babies between 1990 and 1994 and who had no prepregnancy history of diabetes.

The study, published in this week's Journal of the American Medical Association, said women who smoked more than five cigarettes a day before pregnancy had a significantly higher risk of developing diabetes during pregnancy than nonsmokers did. Even modest weight gains in early adulthood — 11 to 22 pounds (5 to 10 kilograms) after age 18 — were also found to carry a significantly higher risk of diabetes after pregnancy.

A Warning for Men

WASHINGTON (AP) — Men cured of testicular cancer are being told to be particularly alert to the development of a second type of cancer. A study found such patients have an increased cancer risk, including a fivefold greater chance of developing a form of leukemia.

The study analyzed the cancer histories of 29,000 long-term testicular cancer survivors, including some treated as early as 1935, and found that 1,406 had developed a second type of cancer.

This translates into a 43 percent increased risk of cancer when compared with the general population, said Dr. Lois B. Travis of the National Cancer Institute, lead author of a study in the Journal of the National Cancer Institute.

"Our findings should prompt clinicians to follow patients with testicular cancer for life, even those cured decades ago," Dr. Travis said.

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NORD/LB
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Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
THURSDAY, OCTOBER 2, 1997

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BT's Shares Rise 8.5% After Rival MCI Offer

By Tom Buerkle
International Herald Tribune

LONDON — British Telecommunications PLC's shares soared Wednesday amid short-term euphoria over WorldCom Inc.'s sudden offer for MCI Communications Corp., but the rival bid risked leaving BT bereft of any long-term strategy.

The unexpected bid also shattered the prevailing wisdom about global telephone competition, illustrating that technological change and buoyant financial markets can enable upstart companies such as WorldCom to challenge the lead of established players such as BT, AT&T Corp. and the Global One alliance of France Telecom, Deutsche Telekom AG and Sprint Corp.

"It sort of blows all the thinking out of the water," said Chris Lewis, senior telecommunications analyst at Yankee Group Europe.

BT declined to comment on the rival offer, but investors placed heavy bets that WorldCom's $41.50-a-share bid would prevail over BT's agreed offer of $32.73 per share.

BT's shares surged 35 pence on London's stock exchange, or 8.5 percent, to 445 pence ($7.19)

This year, BT slashed its $19 billion offer for the 80 percent of MCI it did not own by $5 billion, or 22 percent, to reflect a sharp reduction in expected earnings from MCI's costly domestic expansion. MCI had said it expected its local telephone operations to lose $800 million this year.

Thanks to WorldCom, BT now can extricate itself from a controversial deal at a handsome profit.

The dilemma for BT is that it needs a strong American partner to remain at the head of the global pack. The United States accounts for an estimated $200 billion of the global telecommunications market of some $500 billion, and, while some analysts said BT could turn toward one of the regional U.S. Bell companies, they lack the national presence of MCI, AT&T or Sprint.

"BT suddenly loses a lot of credibility in the international market," Mr. Lewis said.

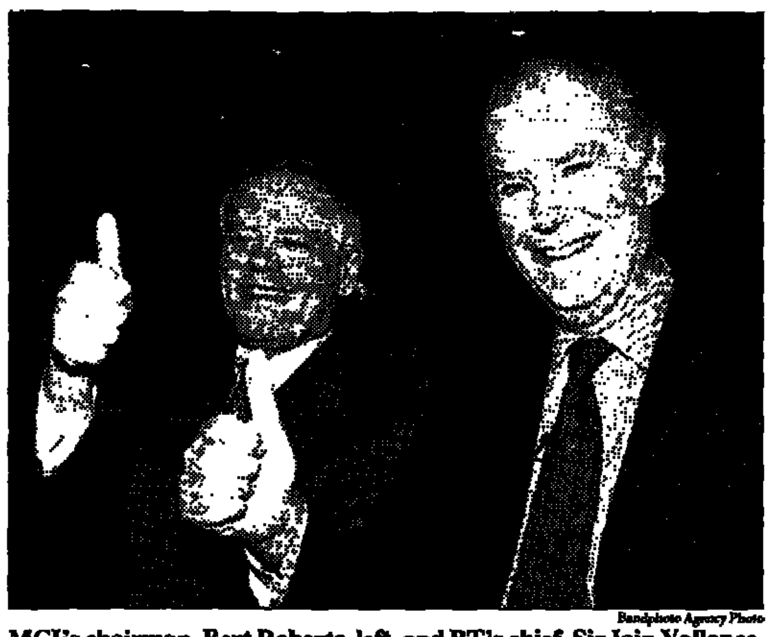
"There aren't a lot of attractive alternatives if they want a U.S. base," said Brad Branch, global telecommunications director at Deloitte & Touche.

That is good news in the short term for Global One and for AT&T, which heads a looser worldwide alliance under the name Unisource.

Until now, most analysts and major corporate customers have seen the competition as a three-way race among Concert, BT and MCI's planned merger; the Global One alliance, and Unisource.

Concert has been regarded as the leader on the basis of its market penetration and merger plans.

But in the longer term, analysts said, WorldCom showed the potential to mount a swift challenge. The company has grown rapidly through acquisitions, with its global ambitions based on its MFS Communications Co. subsidiary, which caters to major business users by linking telecommunication hubs in major cities across the United States and Europe, including London, Paris and Amsterdam.


Bandphoto Agency Photo
MCI's chairman, Bert Roberts, left, and BT's chief, Sir Iain Vallance.

Major corporations, whose huge appetite for telecommunications services is driving the frenzied activity, welcomed the move. Unlike the other leading alliances, whose core members are former national phone monopolies, WorldCom is a product of deregulation that could inject keener competition, said Phil Barton, chairman of the European Virtual Private Network Users Association, which negotiates telecommunications services on behalf of a group of major international companies.

"It has maybe a more competitive pedigree," Mr. Barton said.

Shares in Cable & Wireless PLC also surged Wednesday, closing 33 pence higher at 561, apparently on speculation that BT could make a bid.

But analysts noted that BT abandoned a previous merger attempt last year as too expensive when the shares traded around 450 pence. There is also a big question mark over Cable & Wireless's stake in Hong Kong's telephone company after the territory's return to China in June.

An offer also could raise antitrust concerns because Cable & Wireless owns BT's chief domestic competitor, Mercury Communications Ltd.

Pearson Expands in TV, Acquiring All American

Compiled by Our Staff From Dispatches

LONDON — Pearson PLC branched out into "Baywatch" and game shows by agreeing Wednesday to buy All American Communications Inc., a major Los Angeles television production outfit, for $509 million in cash and assumed debt.

Pearson, best known for its ownership of the Financial Times newspaper, The Economist magazine and Penguin books, will pay $25.50 a share in cash, a 4.6 percent premium to All American's closing price, and will assume $136 million in debt.

Pearson was already taking a more downmarket approach to the television business. It owns Thames Television, a low-budget British television channel, and Grundy Worldwide of Australia, which produces game shows and soaps.

As the television industry moves into the digital age, the number of channels will explode, making it harder to make money on high-quality programming.

"It's a good deal; it complements Grundy very well," said Louise Barton, an analyst at Henderson Crosthwaite Institute. "Companies can't afford quality programming, trash is the only thing they can afford."

"We expect it to be earnings-enhancing in the first year," Chief Executive Marjorie Scardino said of the All American purchase, "helping us achieve our group goal of double-digit earnings growth."

All American produces a number of U.S. drama series, including the global hit "Baywatch" and "The Price Is Right," but it has a particularly strong presence in game shows, owning rights to 90 shows in 29 countries. It reported an operating profit of $40 million on sales of $237 million in 1996.

"What they're really buying them for is the game shows," said Art Rockwell, an analysts at Yaeger Capital Markets.

The chairman of Pearson Television, Greg Dyke, said the company's valuation of All American had been based more on the value of its international businesses than its domestic business, even though American operations make up most of the company's syndication revenue.

He declined to break down exactly what ratio Pearson had made its valuation on, but he predicted annual savings of a minimum of $10 million from the acquisition.

"We have long admired All American's creative achievements and entrepreneurial culture," he said, "knowing it would make an exceptional fit with our existing businesses."

Ms. Scardino denied suggestions that the acquisition was moving the company downmarket. "TV is a mass medium, and entertainment is at the center of the television business," she said.

Pearson said that it would take a restructuring charge of less than £5 million ($8 million) this year and that shareholders controlling 49 percent of All American had committed to accepting its offer.

Anthony Scotti, All American's founder and chief executive, will not stay with the company, which did not comment immediately on its purchase.

Pearson shares finished down 4 pence at 780, while All American shares were up 75 cents, at $25.125, in late trading. All American stock has more than doubled in the past 12 months as the company benefited from rising revenue from its TV operations both in the United States and abroad.

(AFP, Bloomberg, AFX)

Tailoring Film and TV for the World

By Richard Covington
Special to the Herald Tribune

CANNES — When the British Broadcasting Corp. agreed to co-produce a televised biography series with the U.S. cable channel Arts & Entertainment, it probably had little idea that J. Edgar Hoover and John Wayne would give it so much trouble.

Alleging that Mr. Hoover, the former Federal Bureau of Investigation chief, had a penchant for dressing up in women's clothes was one thing. But alleging that Mr. Wayne, for decades the Hollywood image of Wild West virility, was bisexual was quite another.

The BBC's American partners toned down the British treatment of Mr. Hoover's cross-dressing, but they drew the line on Mr. Wayne.

"They cut it out completely," said Paul Hamann, head of documentaries for BBC Television.

Mr. Hamann is also expecting conflicts over a series on the Middle East that it plans to co-produce with the Boston public-television station WGBH.

"The tone of the scripts on Israel will be an extremely delicate issue for the Americans," he said.

With global revenues now funding an increasing proportion of U.S. film and television production, broadcasters are being forced to wrestle with a growing number of subtle and not-so-subtle conflicts with their international production partners.

In the $1 trillion global film and television business, domestically produced television programs still draw the largest audiences.

But companies are striving to create programs with global reach, engineering co-productions from scratch and thoroughly revamping American series almost country by country.

In some cases, they are creating works that are meant to have no recognizable nationality at all.

The partners in this delicate cross-cultural dance include major Hollywood studios such as MGM Inc., Viacom Inc.'s Paramount Pictures Corp. and PolyGram NV; smaller networks such as the documentary-based Discovery Communications Inc., and independent producers such as California-based PM Entertainment Group Inc.

What has driven the boomlet in international co-production over the past decade has been the explosion both in overseas television channels and networks and in program production costs.

"International sales that once accounted for only a fourth of revenues have quickly surged to 50 percent and will soon rise to 60 percent as markets in Eastern Europe, Asia and Latin America open up," said Frank Mancuso, the chairman of MGM.

Mr. Mancuso was in Cannes this week overseeing the launching of his studio's films and series at Mipcom, an annual television market attended by about 10,000 broadcast buyers and producers from around the world.

Films such as MGM's "Man in the Iron Mask" and series such as "Stargate SG-1" are "designed to have no nationality," enabling them to play as well in Bombay as they do in Brooklyn, Mr. Mancuso said.

The scramble to please all the world's viewers all of the time, or as

Globally neutral themes such as that of "Lassie" are sought.

See MEDIA, Page 13

Mahathir Again on Attack

Markets Plunge After Malaysia Urges Regulation

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malaysian stocks and currencies across Southeast Asia took a fresh beating Wednesday after a new call from Prime Minister Mahathir bin Mohamad to regulate foreign-exchange trading.

"We are at a point where fear is feeding on fear," said David Bassanese, senior economist at Bankers Trust Australia Ltd. "As long as they come up with anti-market rhetoric, currencies and markets will come under pressure. We're getting into panic levels."

The Malaysian ringgit, the Indonesian rupiah and the Philippine peso fell to record lows, while the Singapore dollar and Thai baht dropped sharply.

The Malaysian prime minister, speaking Tuesday in Santiago, Chile, suggested that currency trading should be curbed to protect developing countries.

He also said a basket of currencies should be used to evaluate the value of different currencies as fluctuations in these units are likely to cancel each other out.

The Kuala Lumpur Stock Exchange's 100-share weighted composite index finished down 18.74 points, or 2.4 percent, at 795.83.

"We were starting to get to a position where stability was coming through," said Richard Gibbs, an international economist at MacQuarie Bank Ltd. in Sydney, when Mr. Mahathir spoke out again.

In his speech to the Pacific Economic Cooperation Council, Mr. Mahathir repeated comments he made in Hong Kong last month, comments that then sent the ringgit and Malaysian markets plunging.

"There is no support coming in for the market," said Victor Wan of South Johor Securities Sdn. "Players are jittery as they do not know where the ringgit is heading."

The dollar rose to 3.3620 ringgit Wednesday from 3.2465 ringgit Tuesday.

It also gained against the rupiah, to 3,285 from 3,215, and the Philippine peso, to 34.33 from 34.25. The U.S. currency also rose to 1.5320 Singapore dollars from 1.5295 and to 35.85 Thai baht from 35.65.

"It's all starting to get a bit serious," said Mr. Gibbs, who cut his economic forecast for Malaysia, Thailand, Indonesia, Singapore and the Philippines by as much as 3.5 percentage points.

The Malaysian economy is likely to expand at 6.5 percent this year, he predicted, but if the dollar rises above 3.5 ringgit, growth could fall below 6 percent.

"There's a knock-on effect on economies," such as rising unemployment, adverse income distribution and increased poverty, Mr. Gibbs said. "Unfortunately, labor is less mobile than capital. When capital flees, there are less jobs around."

"If these countries don't get their act together," said Liew Yin Sze, chief economist at J. M. Sassoon & Co. in Singapore, "the contagion effect will just keep boomeranging around."

Bangkok declared its support Wednesday for an Asian currency stabilization fund, an idea strongly opposed by Washington. "The so-called Asian Monetary Fund, if agreed and set up, will be a major step forward in regional monetary cooperation," Deputy Finance Minister Chaovarat Charnvirakul said.

INTERNATIONAL MANAGER

Women's Gains in U.S. Boardrooms Slow Down

By Adam Bryant
New York Times Service

NEW YORK — The number of board seats held by women at the 500 largest U.S. companies rose last year to 10.6 percent of the total from 10.2 percent in 1995, but the rate of increase slowed compared with previous years, according to a new census.

Catalyst, a nonprofit women's research group based in New York, said its survey had shown progress in several areas. For example, 84 percent of the biggest 500 companies as ranked by Fortune magazine have at least one woman on their boards, compared with 69 percent in 1993, the first year in which Catalyst took its survey.

The survey also found that 181 companies, or 36 percent, of the Fortune 500 had two or more female directors, and 31 had three or more.

But the increase in women's representation on the companies' boards, at 0.4 percentage point last year, was down from increases of 0.7 percentage point in 1995 and 0.8 percentage point in 1994. The increase in 1993 was 0.4 percentage point.

"There has been a very impressive increase over five years," said Sheila Wellington, Catalyst's president. "But clearly the rate of increase is slowing, and that is regrettable."

For the first time, Catalyst turned up a large company with at least an equal number of men and women directors: Golden West Financial Corp. The savings and loan association based in Oakland, California, has five women directors and four men.

Herbert Sandler, who shares the titles of chairman and chief executive of Golden West with his wife, Marion Sandler, said Tuesday he was perplexed by the dearth of women in boardrooms.

"We don't understand the issue," Mr. Sandler said. "In our acquaintances, women are clearly as bright and able as men."

Industries that have the highest percentage of board seats held by women include cosmetics, savings institutions, publishing and toymakers, Catalyst found. Industries with the lowest percentage of board seats held by women include airlines, computer software, securities, food services and engineering and construction.

Catalyst said 81 companies, or 16 percent of the Fortune 500, had no women on their boards. The reason, Ms. Wellington said, "must be that the CEO's sense of what a woman's experience and perspective can bring to a board has to be limited."

Besides Golden West Financial, companies with five female directors include the College Retirement Equities Fund and the Teachers Insurance & Annuity Association. Catalyst found six companies with four women on their boards: Avon Products Inc., Aetna Life & Casualty Co., Federal National Mortgage Association, Gannett Co., Hasbro Inc. and Principal Financial Group.

Catalyst also found a direct correlation between a company's size and the likelihood that it would have women as board members.

After dividing the Fortune 500 into five groups according to size, it found that 61 of the largest 100 companies had more than one female director, compared with only 26 of the smallest 100.

For the first time in its surveys, Catalyst analyzed the occupations of female directors. It found that 27 percent held corporate jobs, 16.2 percent came from the academic world, 14.9 percent were entrepreneurs and business owners, and 13.5 percent worked in nonprofit organizations or foundations.

Retirees and other professionals accounted for the rest.

Catalyst also found that companies in the Northeastern states were the most likely to have at least one woman on the board, followed by companies in the Midwest and those in the South. Companies based in the West were the least likely, Catalyst said.

CURRENCY & INTEREST RATES

Cross Rates

Oct. 1

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9995	3.2245	1.1264	0.3383	0.115*	—	5.4585*	1.3497	1.4528*	1.4495	1.333*
Brussels	36.27	58.92	20.6375	6.142	2.1037*	18.3226	—	25.165	0.3014	26.18	24.47*
Frankfurt	1.7634	2.8465	—	0.2977	0.1025*	0.8879	4.8463*	1.2165	1.4637*	1.2776	1.1836*
London (a)	1.6133	—	2.8645	9.6217	2,806.58	3.2261	59.1033	2.357	195.096	2.2243	242.005
Madrid	148.517	241.365	84.473	25.146	8.614*	74.973	4.0936	102.851	123.805*	108.252	—
Milan	1,724.25	2,781.80	978.20	231.27	—	868.90	47.446	1,188.55	14.259	1,247.90	11.573
New York (b)	—	1.6159a	1.7726	5.959	1,739.00	1.9975	36.38	1.4598	120.885	1.3783	149.48
Paris	5.946	9.5985	3.3593	—	0.3426*	2.9826	0.1628	4.0903	4.9271*	4.305	3.9765*
Tokyo	120.75	195.38	68.58	20.92	0.702	60.89	3.3237	83.41	—	87.37	0.8125
Toronto	1.3779	2.2261	0.7742	0.2312	0.0792*	0.6898	0.3765*	0.9409	1.1382*	—	0.92*
Zurich	1.4593	2.357	0.8231	0.2445	0.083*	0.7249	3.9832*	—	1.2079*	1.0591	0.9742*
1 ECU	1.1198	0.6981	1.9461	6.6048	1,927.56	2.2145	40.5716	1.6146	134.85	1.5342	164.096
1 SDR	1.3649	0.8467	2.4185	8.1278	2,372.56	2.7251	49.454	1.9814	165.48	1.8847	204.399

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	279.08	Mex. peso	7.761	S. Afr. rand	4.6615
Australian $	1.3712	Hong Kong $	7.7371	N. Zealand $	1.554	S. Kor. won	912.50
Austrian sch.	12.436	Hung. forint	195.57	Norw. krone	7.0964	Swed. krona	7.5568
Brazil real	1.0961	Indian rupee	36.17	Phil. peso	34.33	Taiwan $	28.60
Chinese yuan	8.3149	Indo. rupiah	3285.0	Polish zloty	3.42	Thai baht	35.85
Czech koruna	32.91	Irish £	0.6887	Port. escudo	180.09	Turkish lira	173360.
Danish krone	6.7265	Israeli shek.	3.4944	Russ ruble	5855.0	UAE dirham	3.671
Egypt. pound	3.399	Kuw. dinar	0.3014	Saudi riyal	3.75	Venez. boliv.	497.00
Fin. markka	5.2855	Malay. ring.	3.362	Sing. $	1.532		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6130	1.6110	1.6090	Japanese yen	120.21	119.72	119.13
Canadian dollar	1.3785	1.3764	1.3738	Swiss franc	1.4499	1.4482	1.4464
Deutsche mark	1.7626	1.7589	1.7559				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo);

Libid-Libor Rates

Oct. 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	3 1/16 - 3 3/16	1 1/8 - 1 1/4	7 1/16 - 7 3/16	3 5/16 - 3 7/16	1/2 - 9/16	4 1/8 - 4 1/4
3-month	5 5/8 - 5 11/16	3 3/8 - 3 1/2	1 1/2 - 1 5/8	7 1/4 - 7 3/8	3 7/16 - 3 9/16	1/2 - 9/16	4 1/4 - 4 3/8
6-month	5 11/16 - 5 3/4	3 7/16 - 3 1/2	1 9/16 - 1 11/16	7 3/8 - 7 1/2	3 7/16 - 3 1/2	1/2 - 9/16	4 5/16 - 4 7/16
1-year	5 13/16 - 5 15/16	3 11/16 - 3 13/16	1 11/16 - 1 13/16	7 1/2 - 7 5/8	3 11/16 - 3 13/16	1/2 - 5/8	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	6 9/16	6 1/4
90-day CDs dealers	5.64	5.67
180-day CP dealers	5.49	5.49
3-month Treasury bill	4.97	4.97
1-year Treasury bill	5.15	5.17
2-year Treasury bill	5.73	5.78
5-year Treasury note	5.92	5.99
7-year Treasury note	5.96	6.04
10-year Treasury note	6.02	6.10
30-year Treasury bond	6.32	6.40
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.59	0.59
1-month interbank	0.49	0.51
3-month interbank	0.50	0.52
6-month interbank	0.52	0.54
10-year Gov't bond	2.05	2.12
Germany		
Lombard rate	4.50	4.50
Call money	3.13	3.60
1-month interbank	3.20	3.20
3-month interbank	3.42	3.42
6-month interbank	3.48	3.48
10-year Bond	5.66	5.52

Britain		
Bank base rate	7.00	7.00
Call money	7 7/16	7 1/2
1-month interbank	7 1/4	7 1/4
3-month interbank	7 1/4	7 1/4
6-month interbank	7 3/8	7 3/8
10-year Gilt	6.35	6.46
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 3/8	3 3/8
6-month interbank	3 7/16	3 7/16
10-year OAT	5.44	5.47

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	334.85	337.20	+4.70
London	336.80	337.15	+5.05
New York	336.80	336.10	—0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Rallye Bid Is Backed

Compiled by Our Staff From Dispatches

PARIS — Directors of the supermarket company Casino Guichard-Perrachon SA recommended Wednesday that shareholders reject a takeover bid by rival Promodes SA and accept one from Rallye SA.

The founding Guichard family, which owns 7.8 percent of Casino and 16 percent of its voting rights, is to meet Saturday to discuss the bids.

Promodes is bidding 375 francs ($63.47) a share for Casino and 420 francs a share for Rallye to get its Casino shares. Rallye is offering a mixture of cash and convertible bonds that it valued at as much as 36 francs a share plus certificates guaranteeing the value of Casino shares in 1999, which it valued at 380.75 francs a share.

(AFP, Bloomberg)

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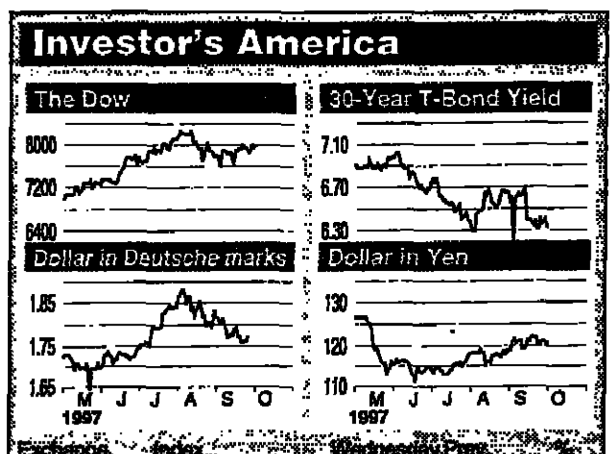
مكرر من الأصل

THE AMERICAS

Investor's America



Exchange	Index	Wednesday @3:30PM	Prev. Close	% Change
NYSE	The Dow	7985.29	7945.26	+0.50
NYSE	S&P 500	950.42	947.28	+0.33
NYSE	S&P 100	915.70	913.83	+0.20
NYSE	Composite	498.85	497.23	+0.33
U.S.	Nasdaq Composite	1688.59	1695.87	-0.47
AMEX	Market Value	702.45	699.26	+0.46
Toronto	TSE Index	7039.29	7040.20	-0.01
São Paulo	Bovespa	11996.14	11802.52	+1.64
Mexico City	Bolsa	5349.39	5330.74	+0.35
Buenos Aires	Merval	828.56	822.47	+0.85
Santiago	IPSA General	5476.67	5483.12	-0.14
Caracas	Capital General	N.A.	10489.09	

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

• U.S. factory orders, production and exports slowed in September, the **National Association of Purchasing Management** said, as its factory index declined to 54.2 from 56.8 in August in a new sign that the U.S. economy will stay on its low-inflation path. In other indications, the **Commerce Department** said construction spending fell 0.3 percent in August and the August index of leading economic indicators slowed its rise to a 0.2 percent gain, the **Conference Board** said.

• **The Bank of Canada** raised its benchmark lending rate by 25 basis points, to 3.75 percent, to ward off inflation, helping push the Toronto Stock Exchange's 300 composite index up 21.67 points, to a record high of 7,061.90, while the yield of the benchmark 30-year bond fell to an all-time low of 6.24 percent.

• **United Parcel Service of America Inc.**'s pilots overwhelmingly rejected the company's latest contract offer and vowed to strike if UPS does not improve its proposal.

• **Dayton-Hudson Corp.'s Target** division said it planned to open six stores employing about 1,200 people in the Philadelphia area by the end of 1998, as part of its expansion into the Northeast.

• **Bank of Nova Scotia** agreed to buy **Mocatta Bullion**, the gold-dealing unit of **Standard Chartered Bank PLC**, which has a seat on the **London Metal Exchange**, making it one of the five institutions worldwide which sets the daily international gold price. Details of the transaction were not disclosed.

• **Representative Richard Baker**, Republican of Louisiana, said he might consider sponsoring legislation to block a controversial derivatives accounting proposal if he determines it would unfairly hurt banks' reported earnings.

• **Ray Ozzie**, the computer programmer who created **International Business Machine Corp.**'s popular Notes software, has formed a company, **Rythmix Corp.**, to design products that complement Notes. *Bloomberg, WP, NYT*

September Manufacturing Slowdown Lifts Bonds, but Stock Prices Are Mixed

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks were mixed Wednesday despite encouraging news in the first major report on September's economic activity.

In late trading, the Dow Jones industrial average was up 30.21 at 7,975.47. Advancing issues outnumbered decliners by a 7-to-4 ratio on the New York Stock Exchange.

The Standard & Poor's 500-stock index gained 3.62 points to 950.90. The technology-heavy Nasdaq composite index lost 2.37 points to 1,683.32.

While stocks plodded along, bonds advanced, with interest rates falling toward their lowest level in more than 1½ years amid signs that inflationary pressures remained tame last month. The benchmark 30-year Treasury bond was up 1 at 100 22/32, lowering its yield to 6.32 percent from 6.40 percent Tuesday.

A survey of factory executives by the National Association of Purchasing Management found that manufacturing activity accelerated at a more modest pace in September.

3 P.M. SNAPSHOT

The data buttressed the decision Tuesday by the Federal Reserve Board not to combat inflationary pressures by slowing the economy with an increase in the central bank's lending rates.

MCI was the most active issue on the Nasdaq, surging on the news that WorldCom was trying to outbid British Telecommunications with a hostile $29.4 billion offer to acquire the U.S. long-distance telephone service provider.

WorldCom fell, BT's American depositary receipts shot up.

Advanced Micro Devices fell following its warning late Tuesday that lower-than-expected sales from its K6 microprocessors would result in lower revenue and a larger-than-expected operating loss in the third quarter.

Marriott rose after Sodexho Alliance said it was combining its North American food service and management units with Marriott's. *(AP, Bloomberg)*

Lack of Bundesbank Concern Lifts Dollar

Bloomberg News

NEW YORK — The dollar rose against the Deutsche mark and the yen after a Bundesbank official said Wednesday that its strength was not a problem for Germany and a key survey showed Japanese managers to be pessimistic about their economy.

In Germany, a central bank council member, Edgar Meister, said the dollar's strength was not generating inflation pressure and was not a "cause for concern." The comment damped talk that central bankers might soon raise interest rates to strengthen the mark.

The mark's weakness "is not their primary concern," said Elena Shperling, chief currency trader at Banco di Sicilia. "A weak mark betters their trade situation" by making German exports more competitive.

FOREIGN EXCHANGE

In late New York trading the dollar was at 1.7735 DM, up from 1.7601 DM on Tuesday.

The dollar climbed against the yen after the Bank of Japan's quarterly *tankan* survey showed executives to be even more gloomy about their prospects than expected. The closely watched report also showed a growing number of manufacturers think the economy will not improve any time soon.

"The data out of Japan showed no reason for interest rates to move," said Karl Halligan, chief currency trader at CIC Bank.

The dollar rose to 120.895 yen from 120.375, even though Prime Minister Ryutaro Hashimoto said Tokyo would take "appropriate" action to keep its value against the yen stable.

The dollar also rose to 5.9590 French francs from 5.9084 francs and to 1.4598 Swiss francs from 1.4480 francs. The pound fell to $1.6159 from $1.6190.

Trade Tensions Heat

U.S. Starts Action Against EU and 4 Allies

Compiled by Our Staff From Dispatches

WASHINGTON — The Clinton administration accused South Korea, Japan, Canada, the European Union and Australia on Wednesday of unfair trade practices, starting a process that could eventually lead to economic sanctions.

The charge against South Korea came despite 11th-hour negotiations held over the past several days in which Seoul sought to keep from being singled out under a provision of U.S. trade law known as Super 301. That provision allows the president to launch investigations of unfair trade practices against countries and to impose punitive tariffs.

President Bill Clinton and the chief executives of the U.S. Big Three automakers will meet Thursday to discuss trade and environmental issues, the White House and industry officials said.

But instead of instituting cases under the Super 301 provision of U.S. law, the administration said it would file cases with the World Trade Organization.

The WTO cases the administration will file specifically target:

• Japan's barriers that limit sales of American apples, nectarines, cherries and other fruits.

• Canadian dairy subsidies that restrict sale of American dairy products.

• Subsidies that the EU is providing to support sale of processed cheese.

• Export subsidies the Australian government provides leather used in the production of auto seat covers. *(AP, Reuters)*

Pact Struck at US Airways

AFX News

WASHINGTON — In an accord that is likely to pave the way for a $14 billion aircraft order from Airbus Industrie, US Airways Group Inc. and its pilots reached a tentative contract aimed at allowing the airline to become more competitive.

The labor deal was concluded minutes before a midnight Tuesday deadline for US Airways to affirm its intentions to buy 120 Airbus jets with options for 120 more.

The Air Line Pilots Association's executive council, which represents US Airways' 4,800 pilots, agreed to the contract Wednesday. Ratification by a full membership vote is expected within two weeks.

The Airbus deal was contingent on the talks with the pilots association, but the airline still has contract negotiations pending with its 14,000 technicians, 8,000 flight attendants and 10,000 other workers.

The pilots agreed to the creation of a low-cost division to compete with such low-fare carriers as Delta Express and Southwest.

Pilots assigned to the new division, dubbed US2, would maintain their current salaries for 18 months, then take gradual pay cuts until US2 salaries were established at 1 percent higher than those of the low-cost rival airlines.

Patriot American Grows

Bloomberg News

DALLAS — Patriot American Hospitality Inc. said Wednesday that it had agreed to buy the hotel leasing operations of Carnival Hotels & Resorts Inc. and all of WHG Resorts & Casinos Inc. in transactions worth a total of about $785 million.

The purchase of Carnival Hotels' management business for $485 million will make Dallas-based Patriot American one of the largest U.S. hotel management companies.

The transaction also adds the Grand Bay and Registry hotel brand names to Patriot's soon-to-be-acquired Wyndham brand.

The purchase of WHG, which owns the Condado Plaza Hotel & Casino and stakes in other Puerto Rican hotels and casinos, for about $300 million, gives Patriot American a presence in the Caribbean market and gaming business.

"These look to be very smart deals for Patriot American," said Paul Keung, a lodging analyst at Deutsche Morgan Grenfell Inc.

The acquisitions will bring to about $2.8 billion the amount Patriot American has spent expanding this year.

AMEX

Wednesday's 3 P.M.
The top 300 most active shares.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:30	Chg.
Indus	7992.17	8017.46	7944.28	7985.29	+40.03
Trans	3195.87	3216.02	3179.74	3200.49	+20.46
Util	238.81	239.93	238.07	239.63	+1.26
Comp	2557.36	2562.73	2539.19	2553.58	+14.05

Standard & Poors

	High	Previous Low	Close	Today 3 P.M.
Industrials	1117.30	1108.37	1108.37	1110.38
Transp.	689.99	684.35	685.69	688.38
Utilities	206.63	205.06	205.24	205.85
Finance	112.77	111.57	111.61	112.19
SP 500	955.17	947.28	947.28	950.02
SP 100	922.72	913.83	913.83	915.70

NYSE

	High	Low	3P.M.	Chg.
Composite	501.28	497.18	498.74	+1.51
Industrials	630.59	625.94	626.97	+0.93
Transp.	464.12	459.79	462.15	+2.36
Utility	301.30	297.35	300.48	+3.13
Finance	473.84	469.59	471.74	+2.15

Nasdaq

	High	Low	3P.M.	Chg.
Composite	1695.89	1681.22	1681.44	-4.05
Industrials	1377.46	1371.31	1372.01	-3.22
Banks	1901.10	1892.48	1900.49	+6.35
Insurance	1827.60	1813.16	1821.39	+0.48
Finance	2253.58	2240.36	2250.64	+10.63
Transp.	1118.23	1113.93	1117.30	-1.14

AMEX

High	Low	3P.M.	Chg.
703.41	699.26	702.17	+2.91

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.02	104.34
10 Utilities	102.00	102.21
10 Industrials	106.04	106.47

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
AMD	104190	29¾	27	27½	-5⅝
Unisys	69965	15⅛	14⅝	15	[illegible]
AT&T	62780	44⅞	43¾	43⅞	[illegible]
WstgEl	60189	28¼	27¼	28	[illegible]
Compaq s	49063	76	77⅛	73⅞	-1⅝
ChileTel s	41299	33¼	32⅛	32⅝	[illegible]
PhilMor s	41284	42⅝	41⅝	42¼	[illegible]
NwsPtg n	38025	20⅛	19⅞	20⅛	[illegible]
CineOd	37610	1⅝	1⅝	1⅝	[illegible]
RepubInd	36277	34⅝	33⅜	34⅝	[illegible]
PepsiCo	35875	40⅜	40	40⅛	[illegible]
Tandy s	34645	34⅛	33⅛	33⅝	[illegible]
Monsan	30838	40⅝	39⅝	40	+1
Praxair	30478	51⅛	47⅞	47⅞	[illegible]
MicmT	29994	34⅛	33⅛	33⅛	[illegible]

Nasdaq

	Vol.	High	Low	3:45	Chg.
WorldCm	554767	35⅝	33¾	34⅛	-1⅝
MCI	534910	36⅜	34½	35⅝	+5⅜
BrooksF	141706	55⅛	54⅝	54⅝	[illegible]
Tellabs s	134303	52⅝	47⅝	50¼	-1⅛
Intel s	126724	93⅛	90⅝	91⅝	-1⅜
SunMic s	99377	47⅛	44⅝	45	-1⅝
TeleComA	98810	22⅛	20⅛	21⅛	+1⅛
SyQstTc	81613	3⅝	3½	3⅛	[illegible]
Ascend	77735	33⅛	32	32⅝	[illegible]
AmtrnPl	72448	6⅛	4⅞	5⅝	-1
TelTCIA n	65830	22⅛	20⅝	21⅞	+1⅞
CienaCp n	64801	53⅝	50⅛	53⅛	+3
Quantum s	55502	38¼	35	35⅝	[illegible]
Microsft s	53221	134⅛	131⅝	132	[illegible]
GothicEn	48786	4	2⅝	3⅝	[illegible]

AMEX

	Vol.	High	Low	3:45	Chg.
SPDR	31425	95¼	94⅝	95½	[illegible]
UTI Eng s	31368	40⅛	39	39⅝	-1⅝
RoyalO g	16544	3	2⅝	2⅝	[illegible]
EchoBay	13904	5⅝	5⅜	5⅝	[illegible]
GST Tele	13436	15⅛	14⅛	14⅝	[illegible]
XCL Ltd	11913	⅞	¾	⅞	[illegible]
JTS Corp	10842	⅞	⅝	⅞	[illegible]
IvaxCp	10343	11⅛	10½	10⅝	[illegible]
TubMex	9493	24⅛	23⅝	24⅝	+1⅛
BemaGold	8872	5⅛	4⅝	4⅝	[illegible]

Trading Activity

NYSE

	Noon	Prev.
Advanced	1777	1644
Declined	989	1273
Unchanged	508	523
Total Issues	3268	3440
New Highs	241	305
New Lows	4	10

Nasdaq

	Noon	Prev.
Advanced	1855	2291
Declined	1614	1952
Unchanged	1952	1386
Total Issues	5421	5729
New Highs	287	420
New Lows	58	45

AMEX

	Noon	Prev.
Advanced	363	363
Declined	218	232
Unchanged	157	168
Total Issues	640	763
New Highs	48	74
New Lows	5	5

Market Sales

	Today 3:00	Prev. cons.
NYSE	498.06	709.96
Amex	28.25	43.85
Nasdaq	742.57	779.35

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Pilgrim Am Prim		.0685	10-10	10-23
STOCK SPLIT				
Hudson Charter 3 for 2 split.				
Steiner Leisure 3 for 2 split.				
STOCK				
Swift Energy		10%	10-13	10-23
INCREASED				
CNB Bancshrs	Q	.23	10-14	10-30
Harvest HomeFnd	Q	.11	10-15	10-31
Humphrey Hosp	c	.0675	10-31	12-12
c- company switched from paying .19 quarterly, to .0675 monthly.				
REGULAR				
Amer Fncl Grp	Q	.25	10-15	10-25
Amer Natl Bncp	Q	.03	10-17	10-31
Amer Restaur Pt	Q	.05	10-13	10-31
Bay View Capital	Q	.08	10-10	10-24
BlckRck Adv Term	M	.052	10-15	10-31
BlckRck CA Inv	M	.0731	10-15	10-31
BlckRck FL Inv	M	.06	10-15	10-31
BlckRck Income	M	.0468	10-15	11-3
BlckRck Inv Qua	M	.0479	10-15	10-31
BlckRck Muni	M	.0512	10-15	10-31
BlckRck 1998	M	.0416	10-15	10-31
BlckRck 1999	M	.0333	10-15	10-31
Bridge View Bncp	Q	.10	10-15	11-1
CNF Transporta	Q	.10	11-14	12-15
Coastal Fncl	Q	.09	10-10	10-31
DPL Inc	Q	.24	11-14	12-1
DQE Inc	Q	.34	12-9	1-1
Dean Foods	Q	.20	11-14	12-15
Duff & Phlps	M	.08	10-15	10-31
Eaton Vance	M	.05	9-30	10-15
Excelsior IncoShrs	Q	.28	10-24	10-31
GFS Bancorp	Q	.065	10-16	10-30
HarleHanks C	Q	.02	12-1	12-15
High Yld Income	M	.06	10-15	10-31
Humphrey Hosp	M	.0675	11-28	1-9
Humphrey Hosp	M	.0675	12-30	1-30
Kentucky Fst Bcp	Q	.125	10-16	10-31
Lilly Indus A	Q	.08	12-10	1-2
Muni Adv Fd	M	.0665	10-17	11-9
Natl City Corp	Q	.425	10-10	11-1
Ryder Systems	Q	.15	11-20	12-20
TJ Intl	Q	.055	10-3	10-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Oct. 1, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Dec 97	259½	255¾	256¼	-1½	199,811
Mar 98	268	264¾	265¼	-1½	64,633
May 98	273¼	270	270½	-1	16,226
Jul 98	277	273¾	274	-1¼	28,139
Sep 98	272	270	270	-1¼	2,094
Dec 98	272¼	268½	268¾	-2¼	17,919
Jul 99			282	-2	124

Est. sales N.A. Tue's sales 50,371
Tue's open int 329,079, up 6,469

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	OpInt
Oct 97	206.60	204.70	205.40	unch.	18,875
Dec 97	198.90	196.90	197.70	+0.70	46,384
Jan 98	197.10	195.00	195.00	-0.70	14,375
Mar 98	193.60	192.10	192.50	-0.40	13,299
May 98	193.00	191.30	191.40	-0.90	14,170
Jul 98	195.50	193.30	193.50	-1.30	6,513

Est. sales N.A. Tue's sales 32,295
Tue's open int 114,152, off 1,694

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	OpInt
Oct 97	23.70	23.39	23.41	-0.19	4,407
Dec 97	24.00	23.73	23.76	-0.11	55,830
Jan 98	24.10	23.94	23.95	-0.10	16,369
Mar 98	24.33	24.12	24.14	-0.08	9,838
May 98	24.35	24.20	24.27	-0.05	7,174
Jul 98	24.40	24.30	24.34	-0.01	5,479

Est. sales N.A. Tue's sales 23,829
Tue's open int 100,171, up 581

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Nov 97	625	620	620½	-1	100,266
Jan 98	629	623	623½	-2¼	28,466
Mar 98	634½	628	628¼	-4¼	12,173
May 98	643½	637	637½	-4¼	11,235
Jul 98	649	642½	643¼	-5¼	10,429

Est. sales N.A. Tue's sales 45,272
Tue's open int 168,265, up 2,101

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Dec 97	355¾	350½	350¾	-3½	62,818
Mar 98	369½	365	365¾	-3½	25,578
May 98	376¼	372½	372¾	-3½	5,118
Jul 98	381	374	374½	-2½	11,123

Est. sales N.A. Tue's sales 18,726
Tue's open int 107,345, off 108

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	68.05	66.32	66.57	-1.12	17,866
Dec 97	67.55	66.05	66.25	-0.85	39,547
Feb 98	70.27	69.05	69.07	-0.77	16,100
Apr 98	73.27	72.40	72.47	-0.47	10,498
Jun 98	70.07	69.40	69.47	-0.30	6,730
Aug 98	69.75	69.00	69.00	-0.50	2,387

Est. sales 28,399 Tue's sales 19,462
Tue's open int 93,452, up 1,364

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	78.40	77.20	77.42	-0.52	5,848
Nov 97	79.30	77.95	78.02	-0.80	4,767
Jan 98	80.20	79.12	79.22	-0.45	3,649
Mar 98	79.90	78.95	79.00	-0.47	1,829
Apr 98	80.10	79.10	79.10	-0.50	677
May 98	80.70	79.90	79.92	-0.67	721

Est. sales 5,060 Tue's sales 5,431
Tue's open int 17,577, off 793

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	68.40	67.45	67.57	-0.22	8,936
Dec 97	63.85	63.15	63.25	-0.17	13,268
Feb 98	62.85	62.10	62.42	-0.07	4,651
Apr 98	59.52	58.80	59.00	-0.02	1,886
Jun 98	66.05	65.52	65.57	-0.15	1,452

Est. sales 10,519 Tue's sales 14,505
Tue's open int 31,549, up 2,191

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Feb 98	64.60	62.30	62.42	-1.10	5,786
Mar 98	63.75	62.25	62.50	-0.92	526
May 98	65.00	64.02	65.00	+0.10	131

Est. sales 2,722 Tue's sales 2,348
Tue's open int 6,577, up 364

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	OpInt
Dec 97	1689	1667	1678	-1	41,450
Mar 98	1719	1699	1706	-5	24,461
May 98	1733	1725	1727	-4	11,963
Jul 98	1750	1742	1747	-3	3,552
Sep 98	1765	1765	1765	-2	4,510
Dec 98	1783	1778	1778	-6	6,916

Est. sales 5,271 Tue's sales 8,397
Tue's open int 103,224, up 640

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Dec 97	164.90	161.25	162.35	-0.15	12,358
Mar 98	153.25	150.50	151.90	+0.50	6,780
May 98	148.00	145.50	146.80	+0.40	2,006
Jul 98	142.50	140.75	141.30	-0.10	2,054
Sep 98	136.30	136.00	136.30	-0.10	511

Est. sales 4,581 Tue's sales 6,618
Tue's open int 24,054, up 324

SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Mar 98	11.71	11.59	11.69	+0.13	95,697
May 98	11.77	11.71	11.76	+0.08	24,320
Jul 98	11.58	11.54	11.56	+0.05	18,029
Oct 98	11.58	11.55	11.56	+0.06	14,971

Est. sales 21,731 Tue's sales 21,677
Tue's open int 160,319, off 2,989

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Nov 97	72.50	71.10	71.90	-0.20	18,336
Jan 98	75.40	74.10	74.90	-0.10	10,570
Mar 98	78.25	77.10	77.90	+0.15	7,015
May 98	80.75	80.00	80.65	+0.15	1,721

Est. sales N.A. Tue's sales 3,848
Tue's open int 38,695, up 844

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Oct 97	338.00	333.00	333.60	-0.70	836
Nov 97			334.50	-0.80	
Dec 97	342.10	335.50	336.10	-0.80	98,276
Feb 98	342.30	337.40	337.40	-0.80	19,752
Apr 98	344.00	339.20	339.20	-0.80	5,776
Jun 98	345.70	341.20	341.20	-0.80	9,528
Aug 98			343.10	-0.80	4,663
Oct 98			345.20	-0.80	481
Dec 98	352.00	347.30	347.30	-0.80	8,468

Est. sales 90,000 Tue's sales 117,604
Tue's open int 182,284, off 15,358

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	95.00	94.50	94.90	-0.75	2,758
Nov 97	95.95	95.40	95.70	-0.75	1,902
Dec 97	97.00	95.40	96.25	-0.75	26,084
Jan 98			97.00	unch.	1,081
Feb 98	96.40	96.40	96.40	-0.60	1,072
Mar 98	96.50	96.00	96.45	-0.55	4,945
Apr 98	96.10	96.10	96.10	-0.70	919
May 98			96.65	unch.	2,479
Jun 98			96.40	unch.	870

Est. sales 8,500 Tue's sales 18,455
Tue's open int 49,663, up 14

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	OpInt
Oct 97			514.20	-4.50	15
Nov 97			516.70	-4.50	
Dec 97	525.00	515.00	518.50	-4.70	68,991
Jan 98	527.00	519.90	519.90	-4.80	21
Mar 98	530.50	523.00	524.90	-5.00	14,174
May 98	530.00	528.00	528.40	-5.00	3,368
Jul 98	528.00	532.10	532.10	-5.00	2,454
Sep 98	537.00	535.80	535.80	-5.00	647

Est. sales 25,000 Tue's sales 41,596
Tue's open int 95,589, up 4,495

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Oct 97	433.50	428.60	430.10	-2.40	3,414
Jan 98	433.50	428.00	428.60	-2.90	9,781
Apr 98	433.50	421.10	421.10	-2.90	735
Jul 98			417.10	-2.90	3

Est. sales N.A. Tue's sales 6,252
Tue's open int 13,939, up 6

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1681½	1682½	1638½	1639½
Forward	1673½	1674.00	1641½	1642½
Copper Cathodes (High Grade)				
Spot	2092.00	2093.00	2133.00	2134.00
Forward	2116.00	2117.00	2153.00	2154.00
Lead				
Spot	642.00	644.00	640½	641½
Forward	648.00	650.00	645.00	646.00
Nickel				
Spot	6785.00	6795.00	6770.00	6780.00
Forward	6890.00	6895.00	6860.00	6870.00
Tin				
Spot	5625.00	5635.00	5635.00	5640.00
Forward	5670.00	5680.00	5675.00	5680.00
Zinc (Special High Grade)				
Spot	1360.00	1362.00	1425.00	1438.00
Forward	1352.00	1353.00	1357.00	1358.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Dec 97	95.03	95.00	95.01	+0.02	4,860
Mar 98	95.02	95.00	95.02	+0.03	3,363
Jun 98			94.90	unch.	152

Est. sales N.A. Tue's sales 495
Tue's open int 8,375, up 169

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	107-54	107-25	107-48	+ 22	232,087

Est. sales N.A. Tue's sales 51,722
Tue's open int 228,806, off 3,383

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	110-26	110-05	110-21	+ 17	369,372
Mar 98	110-10	110-09	110-09	+ 16	12,383
Jun 98			109-14	unch.	1

Est. sales N.A. Tue's sales 70,997
Tue's open int 382,836, up 1,080

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	OpInt
Dec 97	116-21	115-10	116-10	+1 01	613,310
Mar 98	116-11	115-06	116-01	+1 01	38,436
Jun 98			114-20	unch.	2,220
Sep 98			114-10	unch.	1,906

Est. sales N.A. Tue's sales 424,956
Tue's open int 657,490, off 1,705

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	120-11	119-16	120-09	+0-2	174,313
Mar 98	119-30	119-30	120-07	+0-28	28

Est. sales: 111,556. Prev. sales: 86,396
Prev. open int.: 174,341 up 2,079

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	103.38	102.92	103.34	+0.38	292,406
Mar 98	102.45	102.38	102.58	+0.39	5,661

Est. sales: 202,743. Prev. sales: 131,159
Prev. open int.: 298,067 up 6,073

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	100.02	99.76	100.00	+ 0.26	132,422
Mar 98	99.36	99.22	99.38	+ 0.36	3,808

Est. sales: 112,198.
Open int.: 136,230 off 1,400.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	111.97	111.03	111.64	-0.32	119,269
Mar 98	111.41	111.41	111.59	-0.32	1,325

Est. sales: 100,073. Prev. sales: 58,823
Prev. open int.: 120,594 up 384

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Oct 97	94.37	94.36	94.36	+0.01	27,861
Nov 97	94.34	94.32	94.33	+0.01	31,411
Dec 97	94.17	94.15	94.17	+0.02	9,058

Est. sales N.A. Tue's sales 8,203
Tue's open int 72,757, up 138

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Oct 97	94.25	94.23	94.25	+0.01	23,753
Nov 97	94.22	94.20	94.22	+0.02	11,861
Dec 97	94.20	94.17	94.19	+0.02	596,162
Mar 98	94.16	94.10	94.14	+0.04	477,117
Jun 98	94.08	94.01	94.07	+0.06	310,580
Sep 98	93.99	93.92	93.99	+0.07	241,269
Dec 98	93.88	93.81	93.88	+0.08	219,317
Mar 99	93.87	93.80	93.85	+0.06	147,839
Jun 99	93.83	93.76	93.81	+0.07	117,846
Sep 99	93.79	93.73	93.78	+0.07	97,194
Dec 99	93.72	93.67	93.71	+0.07	85,730
Mar 00	93.72	93.66	93.71	+0.07	71,784

Est. sales N.A. Tue's sales 436,822
Tue's open int 2,710,764, up 14,923

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	OpInt
Dec 97	1.6148	1.6056	1.6108	-0.0006	27,778
Mar 98	1.6040	1.6030	1.6030	-0.0020	235
Jun 98			1.5988	unch.	27

Est. sales N.A. Tue's sales 3,221
Tue's open int 28,040, off 319

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	OpInt
Dec 97	.7294	.7262	.7290	+0.0020	47,044
Mar 98	.7330	.7302	.7320	+0.0018	1,732
Jun 98	.7346	.7325	.7345	+0.0021	435

Est. sales N.A. Tue's sales 13,714
Tue's open int 49,379, up 228

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	OpInt
Dec 97	.5725	.5655	.5664	-0.0041	56,072
Mar 98	.5697	.5691	.5697	-0.0039	2,337
Jun 98			.5766	unch.	2,511

Est. sales N.A. Tue's sales 14,767
Tue's open int 61,020, off 117

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	OpInt
Dec 97	.8404	.8328	.8360	-0.0032	76,409
Mar 98	.8469	.8469	.8469	-0.0035	805
Jun 98			.8618	unch.	165

Est. sales N.A. Tue's sales 23,114
Tue's open int 77,580, up 1,283

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	OpInt
Dec 97	.6989	.6898	.6911	-0.0045	35,536
Mar 98	.6980	.6975	.6980	-0.0045	1,470
Jun 98			.7092	unch.	259

Est. sales N.A. Tue's sales 4,976
Tue's open int 37,371, off 452

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	OpInt
Dec 97	.12570	.12532	.12565	+.00262	34,222
Mar 98	.12147	.12110	.12145	+.00262	8,937
Jun 98	.11790	.11750	.11780	+.00319	1,906

Est. sales N.A. Tue's sales 10,312
Tue's open int 36,279, up 596

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	92.59	92.57	92.59	+0.01	124,493
Mar 98	92.57	92.51	92.56	+0.03	103,964
Jun 98	92.59	92.53	92.58	+0.03	87,522
Sep 98	92.71	92.67	92.71	+0.03	70,092
Dec 98	92.90	92.85	92.89	+0.01	58,617
Mar 99	93.11	93.05	93.10	+0.03	57,991
Jun 99	93.30	93.23	93.29	+0.03	37,585

Est. sales: 81,533. Prev. sales: 124,886
Prev. open int.: 638,216 off 11,042

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Oct 97	96.59	96.58	96.58	-0.02	8,829
Nov 97	96.50	96.50	96.49	-0.01	692
Dec 97	96.43	96.41	96.42	+0.01	300,488
Mar 98	96.20	96.18	96.20	+0.01	289,600
Jun 98	95.96	95.93	95.96	+0.01	252,342
Sep 98	95.79	95.76	95.78	+0.01	187,333
Dec 98	95.59	95.56	95.59	+0.02	159,949
Mar 99	95.43	95.40	95.42	-0.02	164,588
Jun 99	95.28	95.26	95.28	+0.02	77,194
Sep 99	95.15	95.13	95.15	+0.02	66,510

Est. sales: 195,111. Prev. sales: 189,221
Prev. open int.: 1,630,314 up 3,931

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	96.42	96.39	96.41	+ 0.01	38,423
Mar 98	96.19	96.16	96.18	+ 0.01	34,429
Jun 98	95.96	95.93	95.95	+ 0.01	28,024
Sep 98	95.79	95.76	95.78	+ 0.01	21,826
Dec 98	95.63	95.61	95.62	+ 0.01	27,148
Mar 99	95.48	95.46	95.48	+ 0.01	39,374

Est. sales 41,427.
Open int.: 222,592 up 5,672.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	93.89	93.66	93.75	-0.15	100,436
Mar 98	94.62	94.45	94.54	-0.11	97,534
Jun 98	95.05	94.87	94.98	-0.09	81,468
Sep 98	95.15	95.00	95.08	-0.09	54,601
Dec 98	95.15	95.02	95.07	-0.08	45,459
Mar 99	95.05	94.92	94.97	-0.10	26,307
Jun 99	94.89	94.78	94.82	-0.11	12,415

Est. sales: 167,427. Prev. sales: 51,278
Prev. open int.: 419,962 up 3,068

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	69.80	68.85	68.85	-0.55	63
Dec 97	71.85	71.55	71.64	+0.09	51,719
Mar 98	73.25	73.05	73.10	-0.06	15,301
May 98	73.92	73.71	73.85	-0.03	7,542
Jul 98	74.65	74.50	74.50	-0.07	6,708

Est. sales N.A. Tue's sales 32,249
Tue's open int 90,448, up 5,679

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Nov 97	58.85	58.00	58.35	-0.42	47,308
Dec 97	59.65	58.90	59.25	-0.45	29,212
Jan 98	60.25	59.60	59.90	-0.35	21,390
Feb 98	60.30	59.90	60.00	-0.35	12,557
Mar 98	59.25	59.25	59.25	-0.20	8,551
Apr 98	57.70	57.50	57.50	-0.25	4,598
May 98	56.80	56.10	56.10	-0.40	3,901

Est. sales N.A. Tue's sales 62,186
Tue's open int 147,434, off 3,174

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	OpInt
Nov 97	21.33	21.01	21.06	-0.12	105,947
Dec 97	21.28	20.98	21.04	-0.08	78,464
Jan 98	21.10	20.92	20.95	-0.09	41,033
Feb 98	20.98	20.82	20.86	-0.09	20,485
Mar 98	20.96	20.72	20.78	-0.09	12,783
Apr 98	20.80	20.65	20.72	-0.08	10,444

Est. sales N.A. Tue's sales 147,592
Tue's open int 425,960, up 10,608

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	OpInt
Nov 97	3.220	3.050	3.120	+0.038	52,792
Dec 97	3.260	3.120	3.185	+0.029	31,754
Jan 98	3.210	3.090	3.130	+0.010	27,758
Feb 98	2.850	2.760	2.790	+0.018	18,724
Mar 98	2.590	2.530	2.560	+0.030	12,640
Apr 98	2.385	2.320	2.325	-0.001	7,805

Est. sales N.A. Tue's sales 68,412
Tue's open int 229,512, off 2,926

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Nov 97	61.00	59.50	60.20	-0.46	42,653
Dec 97	60.00	59.15	59.50	-0.41	16,151
Jan 98	59.70	59.20	59.45	-0.29	15,155
Feb 98	59.60	59.60	59.60	-0.39	4,825
Mar 98			60.59	unch.	5,917
Apr 98	63.20	63.10	63.20	+0.01	3,992
May 98			62.99	unch.	2,405
Jun 98			62.39	unch.	1,384

Est. sales N.A. Tue's sales 47,152
Tue's open int 99,685, off 4,205

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	OpInt
Oct 97	179.00	177.00	178.25	-2.50	21,189
Nov 97	180.75	178.75	179.75	-2.50	22,856
Dec 97	182.00	180.50	181.50	-2.50	16,877
Jan 98	183.25	182.00	183.25	-2.00	13,311
Feb 98	183.50	182.75	183.50	-1.25	7,505
Mar 98	180.25	180.25	181.00	-1.50	4,919
Apr 98	N.T.	N.T.	178.50	-1.75	2,421

Est. sales: 14,912. Prev. sales: 24,796
Prev. open int.: 98,127 up 4,014

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	OpInt
Dec 97	966.25	955.80	960.75	+6.25	184,258
Mar 98	974.50	967.50	968.75	+3.90	3,067
Jun 98	985.00	980.75	980.75	+5.55	761

Est. sales N.A. Tue's sales 66,237
Tue's open int 188,294, off 532

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	OpInt
Dec 97	5428.0	5311.0	5392.0	+46.0	67,203
Mar 98	5406.0	5406.0	5438.0	+65.0	1,973

Est. sales: 10,166. Prev. sales: 10,114
Prev. open int.: 69,176 up 1,085

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	OpInt
Sep 97	3071.0	2986.0	3065.0	+58.5	33,233
Oct 97	3078.5	3004.0	3073.0	+60.0	6,720
Nov 97	3084.0	3003.0	3080.0	+59.5	15,583
Dec 97	3091.0	3035.5	3105.0	+76.5	11,118

Est. sales: 22,623.
Open int.: 78,745 off 22,220.

Commodity Indexes

	Close	Previous
Moody's	1,537.20	1,542.40
Reuters	1,882.60	1,893.00
D.J. Futures	145.64	145.87
CRB	242.57	243.47

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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BP Chief Outlines Plan on Global Warming

Browne Proposes an 'Emissions-Trading' System to Help Cut Down on Pollutants

By Martha M. Hamilton
Washington Post Service

British Petroleum PLC, the world's third-largest oil and gas company, may soon begin trading in a new commodity — greenhouse gases.

John Browne, chief executive officer of BP, told government officials, environmental leaders and others at a conference in Berlin this week that the company would measure and report the carbon dioxide emissions from its operations next year. Over the next two years, he said, BP will set targets for these emissions.

Mr. Browne, who has become increasingly visible in the debate on global warming, said BP would then work with the Environmental Defense Fund to create a system of "emissions trading" within the company to find the most cost-effective ways to control carbon dioxide emissions.

Scientists and politicians are debating whether to establish a similar international system to deal with the threat of global climate change.

President Bill Clinton's administration, still trying to formulate a policy to take to an international summit meeting on the issue in Kyoto, Japan, in December, will hold a White House conference Monday to try to produce one. Interior Secretary Bruce Babbitt told a meeting of the Union of Concerned Scientists this week that the administration was committed to going along with binding pollution-control targets and timetables but that it was still debating the amount of reductions to be sought and the timing.

In general, European officials have pushed for bigger cuts than Washington has appeared to favor. Mr. Browne broke with other oil-industry officials in May by arguing that the risk of global warming required immediate action. In a speech in California at Stanford University, he acknowledged that the science surrounding the issue was uncertain but said BP had concluded there was enough evidence that pollution was contributing to global warming to begin taking precautionary action.

Emissions trading has been used successfully to reduce other pollutants in the atmosphere. Such trading systems allow companies to decide whether to install pollution controls at their own facilities or, if it is cheaper, to pay to reduce emissions elsewhere to achieve the same overall reduction in emissions of pollutants.

For instance, said Daniel J. Dudek, a senior economist with the Environmental Defense Fund who is working with BP, a chemical plant in Texas might find that controlling emissions there would be expensive because the plant did not always run at its capacity. Instead, the chemical plant might choose to "buy" reductions in emissions from another BP facility, such as an offshore oil and gas drilling operation.

Easier Loans Are Urged for Water Plans

By Kelly Couturier
Special to the Herald Tribune

ISTANBUL — A top investment banker called Wednesday for multilateral lending agencies to help reduce the investor risk in water infrastructure projects so that financing for sorely needed projects could move forward.

"Water is a highly sensitive political business," David Suratgar, deputy chairman of Morgan Grenfell International, said at a conference here. "Unlike power and telecommunications, water is considered God's gift," he said, making it "an essential commodity considered in most cultures as a free good which is difficult to cut off when tariffs are not paid."

Adjusting water charges, no matter how necessary it may be to pay for infrastructure improvements and new projects in the years ahead, presents political difficulties for governments, he said, and investor caution reflects these concerns.

Mr. Suratgar was addressing the two-day conference on "World Water: Financing for the Future," sponsored by the International Herald Tribune.

To reduce risks in water projects and facilitate financing, Mr. Suratgar suggested making long-term debt more easily available and increasing guarantee facilities.

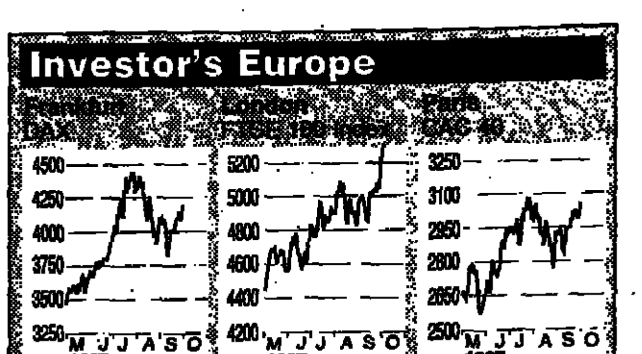
He urged such international lending institutions as the World Bank and International Finance Corp. to help create facilities similar to the European Investment Fund, which is designed to support the financing of infrastructure projects.

Making long-term debt more readily available, he said, would reduce the need for municipalities to borrow in foreign currencies for water projects. Taking such steps at the local level should help increase returns to investors while keeping the cost down for users, Mr. Suratgar said.

Securing substantial sources of local debt is essential to break open the fledgling water sector to international investors, Jeffrey Leonard, president of Global Environment Fund, said at the conference.

The World Bank has estimated that more than $600 billion will have to be spent on building and upgrading water-supply facilities around the world over the next decade.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	943.85	920.80	+2.50
Brussels	BEL-20	2,476.56	2,437.60	+1.36
Frankfurt	DAX	4,196.98	4,167.85	+0.70
Copenhagen	Stock Market	652.78	654.44	-0.10
Helsinki	HEX General	2,753.94	2,732.14	+0.80
Oslo	OBX	708.77	709.68	-0.13
London	FTSE 100	5,317.10	5,244.20	+1.39
Madrid	Stock Exchange	640.20	635.04	+0.81
Milan	MIBTEL	15402	15047	+2.36
Paris	CAC 40	2,954.93	2,909.26	+1.57
Stockholm	SX 16	3,582.94	3,540.72	+1.19
Vienna	ATX	1,439.48	1,423.77	+1.10
Zurich	SPI	3,675.46	3,626.87	+1.34

Source: Telekurs — International Herald Tribune

EU Clears Limited Aid to Thomson Multimedia

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Wednesday that it had allowed France to inject 11 billion French francs ($1.85 billion) into Thomson SA's consumer-electronics unit.

But the commission set a number of conditions on the aid for the beleaguered company.

The commission, the executive body of the European Union, said Thomson Multimedia would have to limit its share of the EU market for television sets to 10 percent through 2000, a level it said was "significantly less than its past and present market share." The decision took into account assurances by French authorities that the consumer-electronics company would enter into strategic industrial partnerships.

The commission concluded that the restructuring plan for the company, which has a strong U.S. presence through its RCA unit, ensured that it would be viable in the long term.

French officials had told the commission that the capital injection would settle all outstanding accounts and that they had no intention of providing further assistance, the commission said.

"On the basis of an analysis of the restructuring plan carried out by a consultant, the commission has concluded that the company's objective of returning to profit in 1999 is feasible," the commission said.

Thomson Multimedia has posted huge losses since the early 1990s, leaving the French government with little choice but to recapitalize or sell it. Paris applied to the EU for permission to provide aid after a failed move by a previous government to sell the company to Daewoo Corp. of South Korea. *(Reuters, AFP, AFX)*

MEDIA: *International Co-Productions Often Call for Some Delicate Tailoring*

Continued from Page 11

many and as consistently as possible drives some producers to distraction.

George Shamieh, whose PM Entertainment distributes "L.A. Heat" and other action-oriented series, is pressured by Japanese programmers to inject more science fiction elements into programs, while Italian broadcasters complain of too much action, too little romance.

"One thing they all agree on is the need for the latest in gadgets and firepower," he said. "Audiences around the world cannot get enough of heat-seeking devices, remote pulse detectors and robots."

But the other elements of each production need careful consideration. In Britain, for example, Discovery's series on the Luftwaffe during World War II devoted far more attention to technical aspects of conducting air raids than the American edition.

"The Americans wanted a stronger focus on triumphs and heroics," said Chris Haws, the network's European vice president for commissions and production.

"We're constantly on the lookout not to fall prey to a Eurocentric bias," Mr. Haws said.

In Asia, the network encountered an entirely different set of potential flash points. Documentaries treating the Nanjing massacre by Japanese troops, an event that ignites rancorous debates between Japanese and Chinese, were pitched one way for Japanese viewers and another for Chinese audiences and overseas Chinese in the region.

Rather than tailoring programs region by region, PolyGram searches out existing titles that have "a branded notoriety," said David Ellender, the studio's president for international television. Its updated version of the 1950s series "Lassie" and its companion piece to "Star Trek," "Gene Roddenberry's Earth: Final Conflict," trade on an instantly recognizable fictional formula to draw international audiences.

Elsewhere, Hollywood studios are strengthening their European base by establishing joint ventures.

Paramount is collaborating with the Berlin-based producer Ufa, a subsidiary of Bertelsmann GmbH, to develop European "movie franchises," said Gary Marenzi, president of the studio's international television group. Studio scriptwriters in California devise scenarios to be shot in English in Europe with a mix of European and American actors, with the aim of spinning off television series, he said.

"Even if we fail to place the film or series in the U.S., the joint venture is a way to reduce costs by not relying on big-name stars and taking advantage of European tax incentives and generally lower production charges," he said. Fox Television Studios, a subsidiary of News Corp., was started up in August with a similar ambition, "filling in as a sort of farm team for the majors," David Grant, president of the studios, said.

Very briefly:

• **Sodexho Alliance SA** of France said it and **Marriott International Inc.** would combine their North American food-service and management units, creating Sodexho Marriott Services, the biggest catering company in the United States. The company would be owned 51 percent by Marriott and 49 percent by Sodexho and would trade on the New York Stock Exchange. Sodexho is to contribute $304 million to the company, which would take over $1.44 billion of Marriott's debt.

• **Coca-Cola Co.** opened four bottling plants in Russia, bringing its market share to 20 percent.

• **Ikea**, a Swedish home-furnishings retailer, plans to invest $133 million to open stores in Moscow and St. Petersburg, the Swedish business newspaper Dagens Industri reported.

• **W.H. Smith Group PLC** rejected a takeover offer from Tim Waterstone, the former owner of W.H. Smith's Waterstone's book-retailing unit. The offer of 200 pence a share valued Smith at £568 million ($917.5 million).

• **AO Avtovaz**, Russia's biggest automobile company, faces bankruptcy this month if it does not sign a plan to pay its 8.05 trillion rubles ($1.37 billion) of debt to the state, First Deputy Prime Minister Boris Nemtsov said.

• **France's** new-car sales fell 40 percent in September from a year earlier, to 130,417, trade figures showed.

• **Dresdner Bank AG** said Alfons Titzrath had been elected chairman of its supervisory board, succeeding Wolfgang Roeller, who resigned Sept. 16 amid a tax-evasion investigation.

• **Gucci Group NV** will open 14 stores next year, including six in Japan and one each in Duesseldorf, Zurich and Vienna, as part of an $80 million capital-investment program, the company's president and chief executive officer, Domenico De Sole, said.

• **Standard & Poor's Corp.** assigned a rating of A-plus to **Lloyd's of London**. It was the first time the insurance market had received a credit rating. *Bloomberg, AFP, AFX, Reuters*

WORLD STOCK MARKETS

Wednesday, Oct. 1
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 943.85 — Previous: 920.80

	High	Low	Close	Prev.
ABN-AMRO	42	40	42	40.30
Aegon	163.50	158.30	163.50	159.40
Ahold	55.10	53.10	55	53.80
Akzo Nobel	350.50	338.50	350.40	340.10
Baan Co.	145.80	140.30	145.50	143.50
Bols Wess cva	35.50	34.10	35.50	34.90
CSM cva	94.40	92.50	94.30	92.50
Dordtsche Pet	116.70	111.90	114.50	112.30
DSM	196.10	194.40	196.10	194.40
Elsevier	29.60	28.60	29.60	28.90
Fortis Amev	85	82.80	84.60	83.10
Getronics	62.70	61.20	61.50	62.30
G-Broc cva	56	55	56	55.70
Hagemeyer	103	101	102.80	101.50
Heineken	353	346.50	353	349.10
Hoogovens cva	128.90	127	128.50	128.90
Hunt Douglas	85.30	84.70	85	85.20
ING Group	94.30	90.90	93.70	91.40
KLM	70.50	67.80	69.50	69.50
KNP BT	55	53.60	54.90	54.30
KPN	79.70	78	79.50	78.20
Nedlloyd Gp	67.10	66.40	67.10	66.70
Nutricia	61.40	59.10	61.40	59.80
Oce Grinten	259	250.20	259	251.90
Philips Elec	177.90	168	176.40	168.40
Polygram	114.30	114.90	114.30	115.30
Randstad Hdg	83.50	81	83.50	81.80
Robeco	196	193.90	195.30	195
Rodamco	61	60.70	60.80	60.90
Rolinco	197	195	197	194
Rorento	118.80	118.20	118.80	118.30
Royal Dutch	115.90	110.60	115.30	111.40
Unilever cva	431.80	422.40	429.10	424.80
Vendex Intl	118.40	117.80	118.20	118
VNU	48.40	45.90	48.20	46.20
Wolters Kl cva	272	265.90	269.40	268.40

Bangkok
SET index: 547.80 — Previous: 544.54

	High	Low	Close	Prev.
Adv Info Svc	244	240	242	240
Bangkok Bk F	193	183	190	185
Krung Thai Bk	25	24.25	25	24.50
PTT Explor	400	380	388	390
Siam Cement F	596	590	590	596
Siam Com Bk F	120	118	120	118
Telecomasia	30.25	29.25	30	29.50
Thai Airways	54.50	55.50	56	56.50
Thai Farm Bk F	131	125	127	127
Utd Comm	109	106	109	108

Bombay
Sensex 30 index: 3985.51 — Previous: 3902.03

	High	Low	Close	Prev.
Bajaj Auto	566.50	545.25	564.75	551.75
Hindust Lever	1347	1322	1345	1336.50
Hindust Petm	479	473	476	479
IDB Dev Bk	103.75	99	103	99.50
ITC	598.50	582	598.25	589
Mahanagar Tel	260	254.25	259	257
Reliance Ind	363.75	354.50	363.50	360.25
State Bk India	275.25	268.50	273	276.75
Steel Authority	15.25	15	15.25	15.25
Tata Eng Loco	335	325.75	333	336.75

Brussels
BEL-20 index: 2476.56 — Previous: 2437.60

	High	Low	Close	Prev.
Almanij	1610	1580	1605	1610
Barco Ind	7700	7610	7690	7640
BBL	9450	9370	9400	9390
CBR	3270	3200	3260	3190
Colruyt	18700	18400	18700	18600
Delhaize Lion	1820	1785	1820	1800
Electrabel	7680	7620	7680	7640
Electrafina	3550	3490	3540	3525
Fortis AG	7470	7310	7470	7300
Gevaert	N.T.	N.T.	N.T.	2950
GBL	5800	5730	5770	5780
Gen Banque	14950	14675	14950	14800
Kredietbank	15600	15050	15575	15025
Petrofina	14575	14275	14575	14275
Powerfin	4950	4900	4950	4950
Royale Belge	9770	9550	9770	9490
Soc Gen Belg	3470	3400	3465	3390
Solvay	2240	2185	2230	2200
Tractebel	14925	14850	14925	14825
UCB	130850	129300	130400	130000

Copenhagen
Stock index: 652.78 — Previous: 654.44

	High	Low	Close	Prev.
BG Bank	386	380	384	386
Carlsberg B	376	368	368	374
Codan Fors	920	920	920	925
Danisco	396	375.94	396	381
Den Danske Bk	738	724	727	733
D/S Svendborg B	479500	475000	478750	492500
D/S 1912 B	340000	327000	335000	340000
FLS Ind B	203	197	202	200
Kob Lufthavne	785	780	785	785
Nkb Nordisk B	755	744	752	750
Sophus Ber B	1091	1079	1080	1080
Tele Danmk B	369.37	351	369	353
Tryg Baltica	400	390	398.50	385
Unidanmark A	440	429	430	437

Frankfurt
DAX: 4196.98 — Previous: 4167.85

	High	Low	Close	Prev.
AMB B	175	164.30	174	166
Adidas	228.30	227	227	229.70
Allianz Hdg	431	423.50	431	426.30
Altana	135.40	122.75	135.05	130
Bk Berlin	46.25	45.40	46.10	45.25
BASF	64.35	63.25	64.25	63.80
Bayer Hypo Bk	76.85	75.70	76.85	75.50
Bay.Vereinsbank	103.40	102.70	103.20	102.80
Bayer	77.50	76.35	77.15	76.75
Beiersdorf	86	81	86	80.50
Bewag	40.35	39.85	40.05	39.90
BMW	1499	1480	1497	1504.50
CKAG Colonia	160	157.50	157.50	158
Commerzbank	64.20	63.60	64.10	63.70
Daimler Benz	145.90	144	145.60	145.80
Degussa	97.40	95.50	97	96.80
Deutsche Bank	126.90	124.15	126.90	124.40
Deut Telekom	35	34.20	35	34.20
Dresdner Bank	82.60	81.30	82.60	81.20
Fresenius	298	290	290	298
Fresenius Med	124	121.30	123.30	121.05
Fried. Krupp	363	361	362	366.50
Gehe	95	94.70	94.70	95.40
Heidelbg Zmt	146	141	146	141
Henkel pfd	102.50	100	101.80	99.60
HEW	465	465	465	465
Hochtief	82.50	81	82.50	80.70
Hoechst	79.20	78.80	79.20	78.40
Karstadt	620	610	616	612
Lahmeyer	97	95	97	95.80
Linde	1240	1225	1240	1232
Lufthansa R	35.95	35.40	35.75	34.80
MAN	571	566.70	568.50	557.70
Mannesmann	815	801	811.30	842
Metallgesellschaft	39.18	39	39.05	39
Metro	81.90	81	81.90	81.20
Munch Rueck R	600	591	598	595
Preussag	490.50	488	488	495
RWE	86	83.50	85.60	85.55
SAP pfd	463	454	461.50	454.50
Schering	185.50	183.60	184.30	185.45
SGL Carbon	259.90	257	259.90	259.50
Siemens	119.65	117.50	119.10	119.35
Springer (Axel)	1510	1510	1510	1510
Suedzucker	892	890	892	891
Thyssen	414.50	410.50	414.50	412
Veba	104.35	101.65	104.35	103.25
VEW	575	571	571	580
Viag	795.50	787	795.50	790.80
Volkswagen	1230.50	1223.50	1229	1227

Helsinki
HEX General index: 2753.94 — Previous: 2732.14

	High	Low	Close	Prev.
Enso A	54.50	53	54.50	53.70
Huhtamaki I	209.50	208	209	208
Kemira	51.50	51	51	51.40
Kesko	75	74.50	75	74.50
Merita A	25	24.70	24.70	25.10
Metra B	155	154	154.50	154
Metso-Serla B	51	48.50	50.80	48.70
Neste	144	142	143	143.80
Nokia A	504.50	494	502	503
Orion-Yhtymae	182.50	179	179	184.50
Outokumpu A	99	96	99	96.50
UPM-Kymmene	150.50	146.50	150.50	147
Valmet	90.50	88	90	86.50

Market Closed

The Hong Kong stock market was closed Wednesday for a holiday.

Jakarta
Composite index: 536.99 — Previous: 546.67

	High	Low	Close	Prev.
Astra Intl	2975	2825	2850	2975
Bk Intl Indon	950	850	850	950
Bk Negara	900	850	875	900
Gudang Garm	9400	9125	9275	9500
Indocement	2400	2300	2350	2400
Indofood	3975	3825	3925	3975
Indosat	8700	8300	8700	8325
Sampoerna HM	6750	6625	6650	6750
Semen Gresik	3200	3100	3100	3200
Telekomunikasi	3675	3550	3550	3625

Johannesburg
All Market: 7128.92 — Previous: 7122.38

	High	Low	Close	Prev.
ABSA Group	31.60	31.25	31.30	31.75
AngloAm Coal	274	273	274	272
AngloAm Corp	243	238.50	243	238.50
AngloAm Gold	263	257	258	256
AngloAm Ind	178.50	176	178	175
AngloAM Plat	81.50	81	81.25	80.75
AVMIN	12.25	11.75	12.20	11.50
Barlow	53.50	52.75	53	53.25
C.G. Smith	22.50	22.20	22.20	22.50
De Beers	137.50	135.75	136.50	135.75
Driefontein	34.70	33	34	32.75
Fst Natl Bk	37.05	36.55	37.05	37
Gencor	11.50	10.90	11.20	11
GFSA	96	95	96	93.75
Imperial Hdgs	62.25	62	62	62
Ingwe Coal	22.50	22	22.50	22.10
Iscor	3.02	2.95	2.98	2.97
Johnnies Indl	62	60	61.50	60.50
Liberty Hdgs	355	354	354.75	355
Liberty Life	136.50	134.50	134.50	136
LibLife Strat	16	15.70	15.80	16
Minorco	104	103.50	104	103.25
Nampak	17.70	17.30	17.50	17.40
Nedcor	100.50	99.75	100	100.50
Rembrandt Gp	42.50	42	42.40	42.20
Richemont	61.25	60.25	60.25	61.50
SA Breweries	138	132.50	136	135.25
Samancor	35.50	35.25	35.40	35
Sasol	64	62.75	62.75	64.25
SBIC	207	205.75	206	207.50
Tiger Oats	68.75	68.75	68.75	69

Kuala Lumpur
Composite: 795.88 — Previous: 814.57

	High	Low	Close	Prev.
AMMB Hdgs	8.50	8.25	8.35	8.50
Genting	10.10	9.90	9.95	10.10
Mal Banking	16.30	16	16.20	16.30
Mal Intl Ship F	6.15	5.90	6	6.20
Petronas Gas	9.80	9.55	9.75	9.40
Proton	8.90	8.80	8.80	9.05
Public Bk	2.82	2.77	2.78	2.81
Renong	3.20	3.08	3.20	3.20
Resorts World	7.10	6.75	6.90	7.10
Rothmans PM	26.25	25.75	26	26.25
Sime Darby	6.70	6.35	6.35	6.75
Telekom Mal	9.85	9.50	9.75	9.85
Tenaga	8.75	7.95	7.95	8.75
Utd Engineers	10.20	10	10	10.40
YTL	4.12	4.02	4.12	4.08

London
FT-SE 100: 5317.10 — Previous: 5244.20

	High	Low	Close	Prev.
Abbey Natl	9.78	9.50	9.73	9.55
Allied Domecq	4.92	4.83	4.87	4.92
Anglian Water	8.27	8.15	8.27	8.19
Argos	6.95	6.82	6.87	6.96
Asda Group	1.59	1.57	1.58	1.57
Assoc Br Foods	5.48	5.44	5.48	5.47
BAA	6.04	5.95	5.99	6.02
Barclays	17.30	16.65	17.23	16.75
Bass	8.38	8.30	8.36	8.36
BAT Ind	5.62	5.42	5.55	5.43
Bank Scotland	5.21	5.05	5.12	5.12
Blue Circle	4.02	3.93	3.95	4.01
BOC Group	11.07	10.95	11.03	11.05
Boots	9.01	8.77	8.89	8.79
BPB Ind	3.47	3.43	3.47	3.45
Brit Aerosp	16.99	16.59	16.95	16.64
Brit Airways	6.84	6.49	6.80	6.79
BG	2.71	2.66	2.68	2.70
Brit Land	6.49	6.41	6.47	6.52
Brit Petm	9.38	9.28	9.37	9.35
BSkyB	4.71	4.65	4.66	4.67
Brit Steel	1.82	1.79	1.82	1.81
Brit Telecom	4.60	4.07	4.45	4.10
BTR	2.53	2.48	2.50	2.52
Burmah Castrol	11.13	10.80	11.09	11.07
Burton Gp	1.34	1.31	1.32	1.33
Cable Wireless	5.79	5.27	5.61	5.28
Cadbury Schw	6.03	5.83	6	5.97
Carlton Comm	5.18	5.10	5.15	5.15
Coml Union	8.19	7.99	8.15	8.06
Compass Gp	6.81	6.70	6.73	6.81
Courtaulds	3.46	3.37	3.45	3.40
Dixons	6.49	6	6.62	6.45
Electrocomponents	4.77	4.58	4.76	4.60
EMI Group	6.12	5.95	6.07	6.10
Energy Group	6.57	6.50	6.53	6.53
Enterprise Oil	6.83	6.73	6.80	6.78
Fam Colonial	1.81	1.78	1.81	1.78
Genl Accident	11.05	10.80	11.05	10.91
GEC	4.08	3.89	4.06	3.92
GKN	14.07	13.89	13.91	14
Glaxo Wellcome	14	13.83	13.97	13.95
Granada Gp	8.77	8.68	8.72	8.76
Grand Met	5.97	5.89	5.95	5.92
GRE	3.17	3.12	3.17	3.17
Greenalls Gp	3.80	3.65	3.69	3.79
Guinness	5.90	5.83	5.88	5.85
GUS	6.99	6.80	6.95	6.91
Hays	7.04	6.90	6.99	7.02
HSBC Hldgs	21.39	20.92	21.39	21
ICI	10.23	10.03	10.19	10.06
Impl Tobacco	3.72	3.68	3.69	3.72
Kingfisher	8.85	8.46	8.75	8.49
Ladbroke	2.77	2.70	2.77	2.73
Land Sec	9.94	9.76	9.91	9.81
Lasmo	2.78	2.72	2.77	2.72
Legal Genl Grp	5.03	4.82	5	4.84
Lloyds TSB Gp	8.60	8.30	8.51	8.34
Lucas Varity	2.35	2.30	2.32	2.34
Marks Spencer	6.52	6.29	6.50	6.34
MEPC	5.21	5.17	5.19	5.23
Mercury Asset	13.65	13.15	13.32	13.58
National Grid	2.85	2.79	2.83	2.83
Natl Power	5.71	5.65	5.69	5.70
NatWest	9.61	9.30	9.53	9.37
Next	7.30	7.14	7.27	7.27
Norwich Union	3.41	3.35	3.38	3.37
Orange	2.31	2.22	2.30	2.22
P&O	6.71	6.60	6.69	6.63
Pearson	7.88	7.78	7.80	7.84
Pilkington	1.59	1.55	1.57	1.57
PowerGen	7.70	7.62	7.67	7.66
Premier Farnell	5.35	5.30	5.31	5.33
Prudential	6.96	6.88	6.93	6.91
Railtrack Gp	9.07	8.94	9.03	8.97
Rank Group	3.67	3.60	3.64	3.66
Reckitt Colm	9.59	9.50	9.58	9.52
Redland	2.39	2.30	2.32	2.35
Reed Intl	5.38	5.22	5.36	5.26
Rentokil Initial	2.61	2.55	2.59	2.58
Reuters Hldgs	7.37	7.26	7.28	7.35
Rexam	3.50	3.43	3.45	3.50
RTZ reg	10.10	9.90	10.09	9.90
RMC Group	9.91	9.82	9.87	9.85
Rolls Royce	2.58	2.51	2.54	2.56
Royal Bk Scot	7.02	6.83	6.97	6.91
Royal & Sun All	5.88	5.75	5.83	5.89
Safeway	4.03	3.91	3.93	4.03
Sainsbury	4.65	4.57	4.59	4.65
Schroders	20.06	19.32	19.93	19.33
Scot Newcastle	7.13	7.05	7.12	7.07
Scot Power	4.85	4.72	4.84	4.80
Securicor	2.95	2.69	2.86	2.70
Severn Trent	9.20	9.10	9.17	9.20
Shell Transp R	4.77	4.55	4.75	4.54
Siebe	13.05	12.43	12.60	12.49
Smith Nephew	1.91	1.89	1.91	1.89
SmithKline	6.17	6.01	6.10	6.02
Smiths Ind	9.27	9.18	9.25	9.15
Sthern Elec	4.70	4.65	4.68	4.68
Stagecoach	6.86	6.75	6.75	6.85
Stand Charter	8.50	8.20	8.50	8.48
Tate & Lyle	4.42	4.37	4.40	4.41
Tesco	4.71	4.57	4.58	4.71
Thames Water	8.89	8.73	8.84	8.73
3I Group	5.25	5.17	5.20	5.22
TI Group	6.73	6.63	6.71	6.65
Tomkins	3.49	3.38	3.43	3.45
Unilever	18.46	18.07	18.41	18.14
Utd Assurance	5.23	5.10	5.12	5.19
Utd News	7.95	7.77	7.92	7.70
Utd Utilities	7.70	7.55	7.67	7.67
Vendome Lx uts	4.51	4.45	4.48	4.47
Vodafone	3.47	3.31	3.46	3.33
Whitbread	8.07	8.01	8.02	8.04
Williams Hdgs	3.70	3.67	3.69	3.69
Wolseley	5.18	5.13	5.16	5.14
WPP Group	2.82	2.79	2.81	2.80
Zeneca	20.60	20.18	20.51	20.22

Madrid
Bolsa index: 640.20 — Previous: 635.04

	High	Low	Close	Prev.
Acerinox	28300	28050	28290	28150
ACESA	2000	1975	1985	1995
Aguas Barcelon	6100	6010	6090	6100
Argentaria	9030	8900	9010	8930
BBV	4695	4560	4695	4595
Banesto	1530	1510	1520	1520
Bankinter	8850	8690	8820	8600
Bco Centro Hisp	6280	6190	6280	6230
Bco Popular	9720	9600	9710	9600
Bco Santander	4920	4850	4915	4890
CEPSA	4750	4675	4700	4735
Continente	3255	3150	3250	3230
Corp Mapfre	8550	8400	8500	8380
Endesa	3200	3165	3175	3185
FECSA	1270	1250	1265	1255
Gas Natural	7970	7700	7970	7860
Iberdrola	1845	1825	1840	1835
Pryca	2840	2800	2825	2790
Repsol	6570	6440	6550	6450
Sevillana Elec	1430	1405	1425	1415
Tabacalera	10600	10200	10400	10470
Telefonica	4765	4670	4720	4690
Union Fenosa	1310	1285	1310	1295
Valenc Cement	2980	2945	2975	2970

Manila
PSE index: 2867.62 — Previous: 2857.39

	High	Low	Close	Prev.
Ayala B	14	13.50	13.50	14
Ayala Land	16.75	16.50	16.50	16.75
Bk Philip Isl	106	101	103	99
C&P Homes	3.55	3.30	3.45	3.30
Manila Elec A	74.50	73.50	73.50	74
Metro Bank	315	302.50	305	307.50
Petron	4.55	4.40	4.50	4.40
PCIBank	144	143	144	142
Phil Long Dist	940	925	940	930
San Miguel B	59	57	57	55.50
SM Prime Hdg	6.60	6.40	6.60	6.40

Mexico
Bolsa index: 5345.98 — Previous: 5321.58

	High	Low	Close	Prev.
Alfa A	74.80	73.30	74.80	73.00
Banacci B	25.00	24.40	24.40	24.50
Cemex CPO	41.25	40.85	40.85	40.80
Cifra C	17.26	17.12	17.24	17.10
Emp Modema	42.80	41.50	41.50	42.75
Gpo Carso A1	63.20	62.60	63.00	62.20
Gpo F Bcomer	3.60	3.58	3.59	3.54
Gpo Fin Inbursa	34.30	34.05	34.25	34.00
Kimb Clark Mex	40.90	40.30	40.45	40.65
Televisa CPO	146.00	140.50	145.00	138.10
TelMex L	20.45	20.25	20.25	20.25

Milan
MIB Telematico: 15402.00 — Previous: 15047.00

	High	Low	Close	Prev.
Alleanza Assic	16300	15885	16130	16650
Bca Comm Ital	4845	4655	4750	4960
Bca Fideuram	7040	6820	6950	7200
Bca di Roma	1735	1660	1692	1780
Benetton	28650	27950	28450	28850
Credito Italiano	4630	4430	4505	4670
Edison	9130	8870	8880	9290
ENI	10710	10375	10560	10870
Fiat	6100	5820	5900	6160
Generali Assic	38500	37450	37800	39000
IMI	18250	17025	17500	18520
INA	2695	2615	2670	2735
Italgas	6075	5900	6025	6095
Mediaset	8890	8565	8670	8900
Mediobanca	13200	12840	13030	13500
Montedison	1282	1231	1251	1260
Olivetti	946	926	930	958
Parmalat	2885	2780	2815	2960
Pirelli	4980	4830	4850	5060
RAS	15280	14940	15000	15390
Rolo Banca	24900	24250	24300	25300
S Paolo Torino	13400	12850	13360	13480
Telecom Italia	11358	11025	11125	11500
TIM	6845	6655	6745	6850

Montreal
Industrials index: 3592.97 — Previous: 3580.86

	High	Low	Close	Prev.
Bco Mob Com	47	46	47	47½
Cdn Tire A	30.15	30	30	30.20
Cdn Util A	38.70	38.70	38.70	38.80
CT Finl Svc	48	47.80	48	48
Gaz Metro	18½	18.30	18.40	18.45
Gt-West Lifeco	33.20	33	33.20	33
Imasco	42¾	42	42	41.85
Investors Grp	44.20	42¼	42¼	46¼
Loblaw Cos	22.10	22.05	22.05	21.95
Natl Bk Canada	19.40	19.15	19.15	19.35
Power Corp	42½	41.60	41.60	42¼
Power Finl	42.10	41.20	41¼	41¼
Quebecor B	24.80	24½	24.65	24.70
Rogers Comm B	8½	8.25	8.35	8.20
Royal Bk Cda	68.10	67.60	67.70	68

Oslo
OBX index: 708.77 — Previous: 709.68

	High	Low	Close	Prev.
Aker A	133	128	133	133
Bergesen Dy A	218.50	216.50	217	218
Christiania Bk	24.50	23.60	24.20	24.50
Den norske Bk	29.70	29.30	29.50	29.70
Elkem	131	127	130	126
Hafslund A	43.50	43	43.50	43
Kvaerner Asa	425	418	422	419
Norsk Hydro	423	415	418	423.50
Norske Skog A	270	263	268	267
Nycomed A	161.50	158	161.50	161
Orkla Asa A	635	622	626	628
Petim GeoSvc	478	474	477	479.50
Saga Petim A	148	143	147.50	150
Schibsted	125	124	125	124
Transocean Off	N.T.	N.T.	N.T.	345
Storebrand Asa	53	51	53	51

Paris
CAC-40: 2954.93 — Previous: 2909.26

	High	Low	Close	Prev.
Accor	1148	1086	1140	1096
AGF	238	227.50	237.30	235
Air Liquide	1015	961	1013	974
Alcatel Alsth	807	779	806	789
Axa-UAP	404	396	401.90	398
Bancaire	769	752	767	756
BIC	465	433.50	457.30	439
BNP	303	295.70	305	298.90
Canal Plus	1075	1047	1066	1054
Carrefour	3807	3671	3778	3697
Casino	359	352.50	352.50	361
CCF	354.50	345	353.30	348
Cetelem	684	673	686	676
Christian Dior	810	792	803	801
CLF-Dexia Fran	N.T.	N.T.	N.T.	562
Credit Agricole	1306	1306	1306	1306
Danone	968	925	960	935
Elf-Aquitaine	883	784	797	792
Eridania BS	925	895	925	920
Eurodisney	8.15	8.10	8.15	8.15
Eurotunnel	6.40	6.30	6.40	6.35
Gen. Eaux	699	690	693	698
Havas	414.80	401.20	412.10	402.70
Imetal	788	760	772	764
Lafarge	442.50	428.50	441.80	434.80
Legrand	1295	1232	1273	1246
L'Oreal	2449	2341	2435	2375
LVMH	1273	1242	1261	1261
Michelin B	354	353.30	352	337
Paribas A	447	436.50	444	440
Pernod Ricard	296.50	290	294.70	296
Peugeot Cit	800	771	795	782
Pinault-Print	2825	2750	2794	2763
Promodes	2345	2286	2316	2316
Renault	179	174.20	178.40	175.90
Rexel	1700	1675	1700	1703
Rh-Poulenc A	239.30	232.10	238.50	236
Sanofi	563	543	560	551
Schneider	388	371.10	384.50	374.50
SEB	884	876	883	883
SGS Thomson	565	555	555	559
Ste Generale	870	847	862	859
Sodexho	3060	2960	3000	2951
St Gobain	937	906	936	915
Suez Lyon Eaux	670	648	667	642
Synthelabo	702	696	702	702
Thomson CSF	189.70	186	187.30	189.30
Total B	700	675	700	679
Usinor	121.70	118.10	121.60	119.90
Valeo	389.70	383	387.50	389.40

São Paulo
Bovespa index: 11998.38 — Previous: 11797.30

	High	Low	Close	Prev.
Bradesco Pfd	11.99	11.60	11.90	11.55
Brahma Pfd	842.00	835.00	835.00	842.00
Cemig Pfd	62.00	60.990	61.00	61.20
CESP Pfd	95.50	93.00	95.00	92.80
Copel	17.00	16.70	16.92	16.78
Eletrobras	589.00	583.00	585.00	580.00
Itaubanco Pfd	725.00	705.00	715.00	708.00
Light Servicios	490.00	469.00	490.00	469.00
Lightpar	400.00	390.00	397.110	390.00
Petrobras Pfd	319.00	313.00	316.00	312.00
Paulista Luz	200.00	195.00	198.00	198.80
Sid Nacional	42.00	41.50	41.50	41.990
Souza Cruz	10.61	10.40	10.61	10.45
Telebras Pfd	146.00	143.00	145.10	141.80
Telemig	164.00	162.99	164.10	161.50
Telerj	162.00	151.01	160.00	151.00
Telesp Pfd	350.00	340.00	350.00	334.01
Unibanco	41.00	40.00	40.05	39.01
Usiminas Pfd	11.98	11.85	11.92	11.90
CVRD Pfd	27.50	26.80	26.90	26.79

Seoul
Composite index: 644.92 — Previous: 647.11

	High	Low	Close	Prev.
Dacom	78000	77000	77000	78000
Daewoo Heavy	7400	7040	7040	7280
Hyundai Eng.	18300	17700	17900	18000
Kia Motors	6330	6330	6330	5870
Korea El Pwr	20400	19900	20000	20300
Korea Exch Bk	5150	4800	4920	4920
LG Semicon	33200	31500	32700	30800
Pohang Iron St	56100	54700	55000	56200
Samsung Display	44300	42700	43800	44300
Samsung Elec	66500	65600	65400	66500
Shinhan Bank	7900	7600	7680	7680
SK Telecom	439500	428000	436000	430000

Singapore
Straits Times: 1941.74 — Previous: 1954.68

	High	Low	Close	Prev.
Asia Pac Brew	5.30	5.20	5.30	5.30
Cerebos Pac	5.50	5.15	5.30	5.30
City Devis	9.75	9.45	9.75	9.90
Cycle Carriage	9.25	9.15	9.15	9.25
Dairy Farm Intl*	0.98	0.95	0.98	0.95
DBS foreign	15.70	15.10	15.10	15.60
DBS Land	3.72	3.64	3.64	3.72
Fraser & Neave	8.80	8.65	8.70	8.75
HK Land*	2.42	2.34	2.40	2.40
Jard Matheson*	8.10	7.95	8.10	8.10
Jard Strategic*	3.96	3.90	3.90	3.92
Keppel A	6.10	5.90	6.10	6.10
Keppel Bank	3.24	3.16	3.16	3.16
Keppel Fels	4.54	4.44	4.44	4.50
Keppel Land	3.86	3.82	3.86	3.86
OCBC foreign	10.70	10.20	10.20	10.60
OS Union Bk F	6.90	6.70	6.80	6.80
Parkway Hdgs	6.05	5.95	6	6.20
Sembawang	7.05	6.95	7	7.10
Sing Air foreign	11.70	11.40	11.40	11.30
Sing Land	6.75	6.50	6.55	6.80
Sing Press F	23.70	22.50	23	22.50
Sing Tech Ind	2.92	2.77	2.79	2.77
Sing Telecomm	2.51	2.42	2.48	2.56
Tat Lee Bank	2.80	2.79	2.80	2.81
Utd Industrial	1.04	1.01	1.02	1.06
Utd O'Sea Bk F	11.40	10.50	10.90	11.30
Wing Tai Hdgs	3.22	3.12	3.16	3.16

*: in U.S. dollars.

Stockholm
SX 16 index: 3582.94 — Previous: 3540.72

	High	Low	Close	Prev.
AGA B	122.50	121	122.50	122
ABB A	108	106.50	106.50	107.50
AssiDoman	259	256	256.50	259
Astra A	140	138.50	139	140
Atlas Copco A	260.50	257	260.50	259
Autoliv	330	322	328	322
Electrolux B	650	594	622	593
Ericsson B	376	363	375	364.50
Hennes B	339.50	331.50	339	331.50
Incentive A	725	720	724	722
Investor B	409.50	403.50	408.50	406
MoDo B	286	283	283	285
Nordbanken	260	257.50	258.50	259
Pharm/Upjohn	281.50	273	281.50	275
Sandvik B	268.50	262.50	268	263.50
Scania B	231.50	229	229	230
SCA B	192.50	190	191.50	191.50
S-E Banken A	93	90.50	91.50	92
Skandia Fors	353	339.50	349	339
Skanska B	332	326	328	330
SKF B	225.50	222	222	221
Sparbanken A	183.50	180.50	182	183
Stora A	131.50	129	131	130
Sv Handels A	264	260.50	261.50	263
Volvo B	218	215	218	217.50

Sydney
All Ordinaries: 2779.30 — Previous: 2766.90

	High	Low	Close	Prev.
Amcor	8.90	8.65	8.77	8.69
ANZ Bkng	11.40	11.12	11.28	11.28
BHP	16.28	16.05	16.15	16.08
Boral	4.32	4.15	4.32	4.18
Brambles Ind.	28.80	28.55	28.55	28.75
CBA	17.05	16.79	16.97	17.04
CC Amatil	15.20	14.70	15.20	14.77
Coles Myer	6.64	6.52	6.58	6.50
Comalco	7.10	6.85	7.02	6.80
CSR	5.70	5.56	5.60	5.66
Fosters Brew	2.91	2.89	2.90	2.91
Goodman Fld	2.30	2.23	2.28	2.23
ICI Australia	13.12	12.89	12.95	13.14
Lend Lease	33.45	32.63	33.41	32.79
MIM Hdgs	1.72	1.67	1.69	1.69
Nat Aust Bank	21.25	20.50	21.15	21.22
Nat Mutual Hdg	2.36	2.33	2.36	2.33
News Corp	7.02	6.95	7	7.08
Pacific Dunlop	3.99	3.86	3.96	3.92
Pioneer Intl	4.78	4.66	4.69	4.69
Pub Broadcast	9.15	9.05	9.09	9.10
Rio Tinto	21	20.71	20.98	20.75
St George Bank	8.77	8.58	8.74	8.61
WMC	6.70	6.53	6.64	6.48
Westpac Bkng	8.64	8.53	8.63	8.70
Woodside Pet	13.40	13.14	13.36	13.17
Woolworths	4.50	4.42	4.50	4.49

Taipei
Stock Market index: 8493.82 — Previous: 8708.83

	High	Low	Close	Prev.
Cathay Life Ins	132	130	130	130.50
Chang Hwa Bk	104.50	102	102.50	103.50
Chiao Tung Bk	75	72.50	73.50	74.50
China Developmt	102.50	98	99	101.50
China Steel	27.40	26.80	26.90	27
First Bank	104	102	103	103
Formosa Plastic	58.50	58	58.50	58
Hua Nan Bk	113	110	111.50	112
Intl Comm Bk	56.50	55	55	56
Nan Ya Plastics	69	67	67.50	68.50
Shin Kong Life	84.50	83	83.50	84
Taiwan Semi	142	136	141	137
Tatung	35.50	35	35	35.30
Utd Micro Elec	90	85.50	89	85.50
Utd World Chin	62.50	60.50	60.50	62.50

Tokyo
Nikkei 225: 17842.14 — Previous: 17887.71

	High	Low	Close	Prev.
Ajinomoto	1070	1030	1060	1060
All Nippon Air	658	651	657	675
Amada	3450	3370	3400	3460
Asahi Bank	710	680	680	700
Asahi Chem	607	582	599	609
Asahi Glass	950	920	934	938
Bk Tokyo Mitsu	2320	2270	2320	2300
Bk Yokohama	480	471	480	480
Bridgestone	2960	2870	2900	2900
Canon	3690	3490	3680	3520
Chubu Elec	2030	2000	2010	2050
Chugoku Elec	1940	1920	1940	1960
Dai Nipp Print	2640	2530	2620	2580
Daiei	665	651	653	666
Dai-Ichi Kang	1360	1320	1330	1370
Daiwa Bank	550	511	520	533
Daiwa House	1200	1160	1190	1200
Daiwa Sec	753	731	753	740
DDI	5920a	5800a	5800a	6060a
Denso	2910	2810	2900	2930
East Japan Ry	5650a	5570a	5650a	5660a
Eisai	2200	2130	2170	2160
Fanuc	4690	4540	4670	4590
Fuji Bank	1330	1300	1330	1330
Fuji Photo	5030	4940	4980	4980
Fujitsu	1510	1460	1500	1510
Hachijuni Bk	1190	1170	1180	1180
Hitachi	1070	1040	1060	1050
Honda Motor	4400	4130	4350	4210
IBJ	1520	1470	1510	1500
IHI	278	263	278	261
Itochu	430	406	430	418
Ito-Yokado	6710	6450	6520	6540
JAL	443	431	435	439
Japan Tobacco	9750a	9340a	9670a	9390a
Jusco	2800	2750	2800	2750
Kajima	526	497	520	521
Kansai Elec	2140	2110	2140	2150
Kao	1800	1740	1800	1750
Kawasaki Hvy	413	407	409	417
Kawa Steel	229	223	227	231
Kinki Nipp Ry	685	674	683	689
Kirin Brewery	997	970	988	994
Kobe Steel	151	148	149	153
Komatsu	649	626	640	675
Kubota	460	450	460	470
Kyocera	8080	7750	7910	7890
Kyushu Elec	2010	1980	2010	1990
LTCB	544	516	541	527
Marubeni	410	386	405	400
Marui	2060	1930	2020	1990
Matsu Comm	3950	3750	3940	3850
Matsu Elec Ind	2220	2150	2200	2180
Matsu Elec Wk	1250	1220	1230	1260
Mitsubishi	1150	1120	1140	1170
Mitsubishi Ch	274	269	270	279
Mitsubishi El	473	456	469	475
Mitsubishi Est	1830	1740	1820	1760
Mitsubishi Hvy	680	656	670	661
Mitsubishi Mat	621	603	621	620
Mitsubishi Tr	1890	1850	1850	1880
Mitsui	958	941	958	949
Mitsui Fudosn	1520	1440	1510	1470
Mitsui Trust	585	569	578	601
Murata Mfg	5210	5110	5180	5160
NEC	1490	1440	1490	1470
Nikon	1910	1840	1910	1900
Nikko Sec	514	504	513	513
Nintendo	11800	11100	11700	11500
Nipp Express	711	694	703	704
Nippon Oil	487	475	481	494
Nippon Steel	277	261	273	266
Nissan Motor	720	691	720	720
NKK	159	153	157	162
Nomura Sec	1600	1540	1590	1570
NTT	1110b	1040b	1100b	1110b
NTT Data	5840b	5430b	5780b	5470b
Oji Paper	537	530	532	540
Osaka Gas	287	280	287	288
Ricoh	1790	1750	1770	1810
Rohm	14900	13900	14800	13900
Sakura Bk	573	551	554	577
Sankyo	4230	4130	4190	4180
Sanwa Bank	1480	1440	1470	1480
Sanyo Elec	374	365	374	370
Secom	8540	8250	8490	8150
Seibu Rwy	4800	4730	4730	4790
Sekisui Chem	906	883	898	909
Sekisui House	1160	1120	1140	1150
Seven-Eleven	9090	8910	9060	9060
Sharp	1100	1050	1090	1100
Shikoku El Pwr	1940	1910	1930	1930
Shimizu	541	521	536	540
Shin-etsu Ch	3470	3300	3400	3320
Shiseido	1970	1910	1970	1940
Shizuoka Bk	1290	1270	1290	1290
Softbank	4900	4700	4780	4930
Sony	11800	11200	11700	11400
Sumitomo	880	860	871	900
Sumitomo Bk	1820	1780	1800	1820
Sumit Chem	450	435	442	443
Sumitomo Elec	1770	1710	1750	1730
Sumit Metal	264	246	264	251
Sumit Trust	1170	1130	1150	1200
Taisho Pharm	3250	3160	3200	3190
Takeda Chem	3640	3600	3620	3620
TDK	11400	10700	11300	10800
Tohoku El Pwr	1940	1920	1930	1950
Tokai Bank	989	970	987	999
Tokio Marine	1470	1430	1450	1450
Tokyo El Pwr	2290	2260	2280	2320
Tokyo Electron	7780	7280	7780	7370
Tokyo Gas	283	277	282	286
Tokyu Corp.	580	560	579	580
Tonen	1060	1020	1030	1040
Toppan Print	1730	1650	1700	1670
Toray Ind	710	692	710	713
Toshiba	604	582	600	612
Tostem	1920	1860	1860	1920
Toyo Trust	955	924	930	939
Toyota Motor	3730	3670	3690	3700
Yamanouchi	3070	2980	3010	2980

a: x 100; b: x 1,000

Toronto
TSE Industrials: 7038.44 — Previous: 7048.22

	High	Low	Close	Prev.
Abitibi Cons.	23.65	23.30	23.55	23.40
Alberta Energy	33.40	33.10	33¼	33.40
Alcan Alum	47¾	47.10	47¼	48.40
Anderson Expl	17.20	16.95	17.05	17.20
Bk Montreal	58.90	58.30	58.60	58.90
Bk Nova Scotia	66.30	65.70	66.05	66¼
Barrick Gold	34.80	33¼	33.55	34¼
BCE	41.60	41.30	41.35	41.25
BC Telecomm	35.90	35½	35.60	35.70
Biochem Pharma	43¼	43¼	43¼	43.60
Bombardier B	28.15	27.85	28	28
Cameco	52.15	51.60	52.10	51.85
CIBC	39.80	39.15	39.20	39.80
Cdn Natl Rail	71.85	71½	71.55	71.85
Cdn Nat Res	41.40	40.55	41.20	41
Cdn Occid Pet	37	36.60	36.95	37
Cdn Pacific	41.15	40.60	40.60	40.95
Cominco	35.40	34.60	35¼	34.60
Dofasco	26½	26.30	26.35	26.35
Domtar	11¾	11.45	11¾	11.55
Donohue A	31¾	31.55	31.65	31.40
Du Pont Cda A	34½	34	34½	34.55
EdperBrascan	25.40	25	25.40	23.95
Euro-Nev Mng	26	24.35	24.60	24¼
Fairfax Finl	385	385	385	383
Falconbridge	26.10	25½	25.90	25.80
Fletcher Chall A	24	23.15	23.65	23.30
Franco Nevada	34	33¼	33.35	32.55
Gulf Cda Res	13	12.70	12.85	12.55
Imperial Oil	80.35	79½	80.15	79.40
Inco	35	34.65	34.65	34.55
IPL Energy	54¼	53.95	54.10	54.30
Laidlaw B	20¾	20.55	20.65	20.70
Loewen Group	38.45	38	38.30	38¼
Macmill Bloed	20.35	20	20	20¼
Magna Intl A	96	95	95½	95.85
Methanex	12	11.40	12	11.40
Moore	26.70	26.30	26.45	26.10
Newbridge Net	85¼	83½	84.45	82.70
Noranda Inc	27.80	27.60	27.65	27.60
Norcen Energy	34.10	33.85	33.90	34
Nthern Telecom	146.20	143¼	144¼	144¼
Nova	11.60	11.35	11.60	11.40
Onex	36½	34¼	36.35	36¼
Pancdn Petm	25½	24.90	24.90	24.95
Petro Cda	25.45	25	25.05	25.35
Placer Dome	27.05	25¼	25.85	26.45
Poco Petm	13.65	13.15	13.30	13.60
Potash Sask	112	108¾	112	108½
Renaissance	34¼	34¼	34.40	34½
Rio Algom	30.70	30.15	30.40	30.10
Rogers Cantel B	25	24¼	24¼	24.30
Seagram Co	49¼	48.35	48.60	48¼
Shell Cda A	24.90	24½	24.80	24.40
Suncor	50¼	50.30	50¼	50.20
Talisman Eny	51¼	48.40	50¼	47.60
Teck B	28.70	28	28	28½
Teleglobe	49¾	49.30	49½	49.40
Telus	29.10	28.85	28.90	28.95
Thomson	34.10	32.45	32.60	32.55
TorDom Bank	47.10	46.70	46¾	46.95
Transalta	18.65	18.30	18.30	18½
TransCda Pipe	27	26.80	26.90	26¾
Trimark Finl	79¼	77½	77¾	79¼
Trizec Hahn	36¼	35.60	36¼	35.55
TVX Gold	9.05	8.55	8.60	8.60
Westcoast Eny	28.95	28.65	28.90	28.70
Weston	108½	106	108½	106.30

Vienna
ATX index: 1439.48 — Previous: 1423.77

	High	Low	Close	Prev.
Boehler-Uddeh	1046	1031	1038.05	1045
Creditanst Pfd	655	644	654.40	648
EA-Generali	3404	3351	3370	3372
EVN	1580	1512	1571	1521
Flughafen Wien	525.50	512.10	522.50	514.05
OMV	1880	1832	1880	1855
Oest Elektriz	885	874.30	883	880.50
VA Stahl	610.50	593	605.50	602
VA Tech	2683	2600	2680	2666
Wienerberg Bau	2628.45	2564	2622	2593

Wellington
NZSE-40 index: 2575.89 — Previous: 2557.88

	High	Low	Close	Prev.
Air N Zeald B	4.00	3.99	3.99	4.02
Briefly Invt	1.38	1.36	1.38	1.35
Carter Holt end	3.43	3.38	3.43	3.39
Fletch Ch Bldg	5.12	5.10	5.10	5.10
Fletch Ch Eny	7.04	6.80	6.85	7.06
Fletch Ch Forst	1.96	1.95	1.95	1.95
Fletch Ch Paper	3.30	3.27	3.30	3.08
Lion Nathan	3.85	3.79	3.82	3.82
Telecom NZ	7.97	7.89	7.97	7.92
Wilson Horton	11.50	11.45	11.45	11.44

Zurich
SPI index: 3675.46 — Previous: 3626.87

	High	Low	Close	Prev.
ABB B	2140	2096	2136	2142
Adecco B	590	585	590	585
Alusuisse R	1435	1399	1432	1425
Ares-Serono B	2800	2650	2800	2620
Atel R	870	853	870	870
Baer Hdg B	2250	2225	2250	2225
Baloise Hdg R	2350	2237	2334	2250
BK Vision	1240	1210	1240	1220
Ciba Spec Chem	142.25	139.25	141.50	140.50
Clariant R	1183	1166	1183	1170
Crd Suisse Gp R	206	196.25	206	196.50
Elektrowatt B	535	532	535	535
Ems-Chemie	6950	6850	6945	6925
ESEC Hdg	4080	3920	4000	4000
Holderbank B	1384	1365	1375	1380
Liechtenst LB B	570	570	570	570
Nestle R	2060	2004	2054	2026
Novartis R	2247	2200	2247	2230
Oerlikon Buehr R	189	186.25	187	188.50
Pargesa Hld B	1890	1855	1870	1900
Pharm Vision B	918	880	902	900
Richemont A	1890	1866	1866	1895
Pirelli PC	335	332.50	333.50	325
Roche Hdg PC	13390	12800	13300	12900
SBC R	397	389.50	391	393
Schindler PC	1735	1720	1723	1715
SGS B	2600	2536	2600	2545
SMH B	871	856	865	866
Sulzer R	1150	1100	1132	1106
Swiss Reins R	2215	2171	2212	2181
SAir Group R	1959	1935	1953	1945
UBS B	1709	1686	1700	1699
Winterthur R	1500	1410	1488	1421
Zurich Assur R	645	631	643	633

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	179.87	+0.46	+0.26	+20.38
Regional Indexes				
Asia/Pacific	121.45	-0.45	-0.37	-1.60
Europe	198.53	+1.88	+0.96	+23.16
N. America	208.15	-1.14	-0.54	+28.56
S. America	173.98	+2.54	+1.48	+52.04
Industrial Indexes				
Capital goods	225.00	-1.73	-0.76	+31.64
Consumer goods	197.03	+0.73	+0.37	+22.05
Energy	211.01	+1.06	+0.50	+23.61
Finance	134.43	+0.15	+0.11	+15.43
Miscellaneous	193.14	-0.45	-0.23	+19.38
Raw Materials	189.21	+1.74	+0.93	+7.89
Service	169.34	+1.51	+0.90	+23.32
Utilities	173.78	+0.67	+0.39	+21.13

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NYSE

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Continued on Page 16

هكذا من الأصل

Victim of PC Slump

Softbank's Stock Falls as Debt Mounts

Bloomberg News

TOKYO — Softbank Corp., the one-time darling of Japan's over-the-counter market, has fallen out of favor as investors try to assess whether the company can service its debt and manage its expanding corporate empire.

The computer-software distributor founded by the billionaire Masayoshi Son made its stock-market debut in mid-1994, and its shares tripled to a peak of 12,308 yen ($101.64) in April 1996.

Since then, its shares have plummeted 61 percent, closing Wednesday at 4,780 yen, its lowest price since August 1995.

The plunge was prompted in part by a decline in personal-computer sales in Japan, which raised concern over the impact on Softbank's core business and on the debt it has amassed to finance purchases of such U.S.-based computer-related companies as Ziff-Davis Publishing Co. and Comdex, a trade-show organizer.

Adding to the uncertainty was Softbank's unwillingness to provide more details to investors about its overseas operations, which account for three-quarters of its total operating profit.

"People who used to look at Softbank as sort of a plum of the OTC don't think that anymore," said Richard May, an analyst at D.E. Shaw Securities (Japan) Inc. "Investors are starting to get a little uncomfortable."

Mr. Son, Softbank's president, has brushed off talk about the stock's decline and the company's debt.

"It's an overreaction," he said last month of the price decline. He said the company was in good financial condition.

Softbank has spent more than $4.5 billion in the past two years investing in more than 30 computer companies, mostly American. Last year Softbank paid $1.4 billion for 80 percent of Kingston Technology Co., a California-based maker of memory devices. The year before that, it bought Ziff-Davis for $2.1 billion and Comdex for $800 million.

Ziff-Davis publishes three of the top-selling computer magazines in the United States. Comdex stages the world's largest computer show.

Softbank also has spent $200 million investing in more than 30 Internet start-up companies. These include stakes in Yahoo!, a search-engine developer for the World Wide Web; CyberCash, an Internet-payment company; the network software developer Novell Inc.'s Japanese subsidiary, and Asymetrix, founded by Paul Allen, co-founder of Microsoft Corp.

In addition, Softbank owns 25 percent of a Japanese satellite-television venture in partnership with Sony Corp., Fuji Television Network Inc. and News Corp. The company financed that buying spree in part by issuing 300 billion yen of bonds. The other liabilities of Softbank and its subsidiaries raised group debt to 836 billion yen as of March 31.

Servicing that debt could become more difficult with the slowing of personal-computer sales in Japan, where Softbank controls 50 percent of the software market, analysts said. It dominates the market as the distributor for Microsoft, Cisco Systems Inc., Novell, Lotus Development and Oracle Corp. products.

"If you want to access the retail software market in Japan, you have to go through Softbank," said Mahengra Negi, a computer-industry analyst at Merrill Lynch Japan Inc.

Personal-computer sales grew 4 percent in Japan in the April-June quarter this year, down from 51 percent in the year-earlier period, according to the Japan Electronic Industry Development Association. For the full year, the association predicts that sales growth will tumble to 16 percent from 37 percent last year.

The slowdown could affect Softbank's earnings growth. For the year ending March 31, the company forecasts that group net profit will rise 5 percent, to 9.5 billion yen, on sales of 550 billion yen. That compares with a 57 percent rise in group net profit last year on 360 billion yen in sales.

Softbank does not provide separate earnings results for its U.S.-based businesses, but officials at Comdex and Ziff-Davis said earnings this year were on track to exceed last year's results.

Comdex's president, Jason Chudnofsky, said after-tax profit this year would be higher than the $120 million the company earned last year and that revenue would be "well above" last year's $300 million. Comdex's business has expanded since Softbank bought it in 1995: from eight events in four countries to 40 events in 21 countries. As a result, Mr. Chudnofsky said, Comdex is worth $1.5 billion to $1.6 billion, twice what Softbank paid for it two years ago.

But the lack of detail about Softbank's overseas operations has frustrated some analysts and left some investors uneasy.

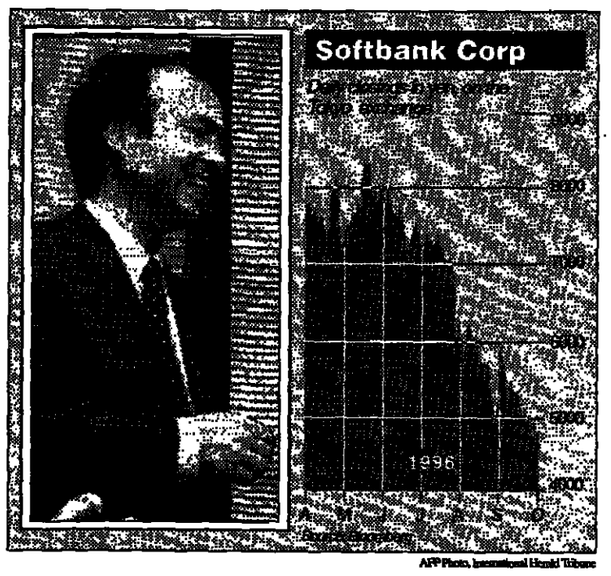
Interest payments on the 300 billion yen of bonds that Softbank has issued over the past two years will total 7 billion yen this year. It also needs to come up with 93.3 billion yen over the next three years to redeem six sets of maturing bonds. Its ability to roll over those bonds at an attractive rate would suffer if earnings fell, analysts said. Eighty percent of Softbank's bonds outstanding pay an average coupon rate of 3.12 percent.

Softbank's shares jumped 36 percent in two days last month on a Nihon Keizai newspaper report that the company may get a listing on the first section of the Tokyo Stock Exchange.

Such a move, Mr. May of D.E. Shaw said, would unlock "pent-up demand" for the stock among institutional investors.

"Many institutional investors have restrictions preventing them from buying over-the-counter stocks," Mr. May said, but many of them would like to buy Softbank stock because of the firm's size and its potential for earnings growth.

The move would require Softbank to divulge more financial information because of the more stringent reporting requirements for first-section companies. That also could help Softbank's share price by dispelling some of the uncertainty that surrounds the company, analysts said.



AFP Photo, International Herald Tribune

Photo by Toru Yamanaka/Agence France-Presse

Masayoshi Son, Softbank Corp.'s founder, led its rapid expansion.

Japan Sets NTT Pact With U.S.

Procurement Accord Extended for 2 Years

Compiled by Our Staff From Dispatches

TOKYO — Japan and the United States have extended their agreement on procurement of foreign equipment and materials by Nippon Telegraph & Telephone Corp. for about two years, the U.S. Embassy said Wednesday.

The renewal of the accord is expected to help ease the two nations' trade relations, which have been strained by Japan's widening trade surplus and its failure to deregulate its ports. The United States and Japan also are to try this month to reach agreements to make Japan's aviation and auto-parts markets more accessible to American companies.

The announcement came a day after NTT made its first significant push into the American telecommunications market by agreeing to pay $100 million for a minority stake in Teligent Inc., a small wireless communications company based in Virginia.

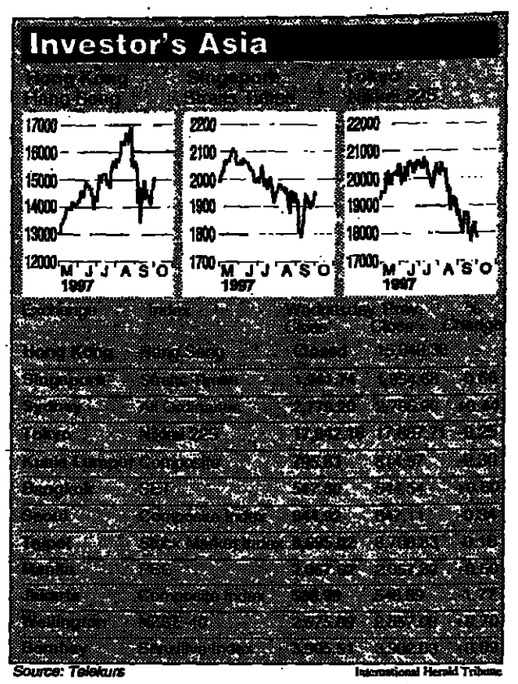
By acquiring 12.5 percent of the company, NTT is making a small but potentially lucrative bet that some American companies seeking integrated voice, data and video communications will choose a relatively untested wireless technology over fiber-optic cable, the prevailing delivery system.

Teligent aims to win customers away from the regional Bell telephone operating companies in America by offering advanced communications services directly to buildings without using wires.

Washington had been seeking a three-year extension of the 1982 procurement agreement that it says helped make Japan's telecommunications-equipment market more competitive by making it easier for foreign companies to sell their products in Japan.

The two countries agreed to extend the accord, which was due to expire at midnight Tuesday, until NTT is broken into two regional carriers and one long-distance carrier, a Ministry of Posts and Telecommunications official said. That is due to take place by April 2000. U.S. negotiators tried and failed to expand the pact to include procurements by NTT subsidiaries.

(Bloomberg, NYT, AFP)



Source: Telekurs

International Herald Tribune

Very briefly:

- **South Korea's** three largest auto manufacturers, **Kia Motors Corp., Hyundai Motor Co. and Daewoo Motor Co.,** said their total worldwide vehicle sales fell 6 percent in September, to 226,181, for their second consecutive monthly decline.
- **Ford Motor Co.,** which holds a stake in **Kia Motors,** asked the South Korean government to protect Ford's rights as the biggest foreign shareholder of the near-bankrupt Kia Group.
- **Toshiba Corp.** said sales of liquid crystal displays in the year ending March 31, 1998, would be about 115 billion yen ($949.6 million), down from an earlier forecast of 135 billion yen, because of slowing sales of personal computers.
- ***Hitachi Ltd.*** cut its pretax earnings forecast for the current financial year by 36 percent, to 70 billion yen, citing falling chip prices and declining appliance sales in Japan.
- **Japan** cut taxes on alcoholic beverages such as whisky and raised them on traditional Japanese spirits in response to U.S. and European Union criticism that its taxation system discouraged consumers from buying imported liquor.
- **U.S. cigarette makers,** bowing to pressure at home, pledged to end TV and radio advertising in **Japan.**
- **Singapore Telecommunications Ltd.** will cut phone rates to 31 countries by as much as 50 percent Nov. 1, its third rate cut this year.

Bloomberg, AFP

Japan Telecom Reaches Abroad

Bloomberg News

TOKYO — Japan Telecom Co. acquired International Telecom Japan Inc. for 74 billion yen ($614.7 million) Wednesday, making it the first Japanese company to offer both international and domestic long-distance services.

The acquisition will raise the company's share of Japan's 12 trillion-yen phone-service market and could put pressure on competitors to cut prices. With the acquisition, Japan Telecom will become the country's third-largest phone company, after Nippon Telegraph & Telephone Corp. and DDI Corp.

Taiwan's Rush to the Mainland

Defying Government, Firms Invest $10.8 Billion in 6 Years

Agence France-Presse

TAIPEI — Taiwan companies have poured more than $10.8 billion into China in the past six years, the Economic Ministry said Wednesday, showing clear defiance of government efforts to restrict ventures in the mainland.

About 19,800 investment applications were made to the government's Investment Commission from 1991, when Taipei lifted a ban on indirect investment in China, until last month, the ministry said.

Unofficial figures compiled by academics and researchers put the number of applications at 35,000, worth an estimated $30 billion.

Taipei has tightened its controls over mainland investment since President Lee Teng-hui called for a "no haste, be patient" policy last year.

On July 15, 1996, the government prohibited Taiwanese from investing in infrastructure and land development.

But that prohibition appears to have gone unheeded, analysts said.

"Most of the firms here have envisioned a bright prospect for the China market, brushing aside high investment risks," said Joyce Wang, an analyst at Jih Sun Securities Investment Consulting Co.

Undaunted, Taipei demanded two months ago that domestic companies investing in the mainland register with the government by the end of September or face a penalty of as much as 5 million Taiwan dollars ($175,000).

Many companies, including Kingtel Telecommunication Co., the island's leading telephone maker and Hon Hai Precision Industry Co., as well as a son of Y. C. Wang, chairman of Formosa Plastics Corp., rushed to register before the deadline.

Deputy Prime Minister Qian Qichen of China called on Taipei on Monday to quickly approve direct mail, shipping and trade links across the Taiwan Straits.

"We demand that the Taiwan authorities lift the restrictions on the development of the cross-straits economic and trade relations," he said.

Taipei High-Speed Rail Plan

AFX News

TAIPEI — GEC Alsthom, Siemens AG and their local joint-venture partners in the Taiwan High-Speed Rail Consortium said Wednesday that they would form a company capitalized at 103.8 billion Taiwan dollars ($3.63 billion) to build and operate Taiwan's first high-speed railroad.

The consortium is to raise 51 percent of the planned capitalization, or 52.9 billion dollars.

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REPUBLIC OF LEBANON
MUNICIPALITY OF BEIRUT
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
Notice of re-invitation to tender for the
Build, Operate and Transfer (BOT) contract for a
development project comprising a public garden, a car park and a commercial centre
at Ras Beirut - plot No. 1228

The Lebanese Government, represented by the Council for Development and Reconstruction and the Municipality of Beirut, announce the re-tendering of the Build, Operate and Transfer contract for the above-mentioned project.
In addition to the firms or grouping of firms which have been prequalified for this project during the first invitation to tender, candidates eligible to bid include all Lebanese or foreign firms, acting separately or in joint venture, which are judged suitable to carry out this type of project on the basis of the criteria set out in the post-qualification document which forms part of the tender documents.
The main components of the project will occupy the following areas:

• Public garden (green space, ...)	about 6,800 m²	• Shops, restaurants, ...	about 5,000 m²
• Ancillary facilities (storage, kitchens, ...)	about 4,200 m²	• Car park (about 1,200 vehicles)	about 44,700 m²
• Circulation space (access ramps, shopping arcades,...)	about 2,800 m²	• Office space	about 6,200 m²

The project will also include the foundations for an office tower of approximately 48,000 m²
The tender document, including the post-qualification document, will be available as of Monday 15/9/1997 from the Council for Development and Reconstruction, Tallet el Serail, Beirut, Lebanon. Candidates may obtain the document against payment of US$10,000 (ten thousand US dollars) by means of a certified banker's cheque drawn in favour of the Council for Development and Reconstruction. Bidders who purchased the tender document for the first invitation to tender will receive the new document free of charge.
Bids should be delivered to the CDR office for receipt of tenders by Monday 17/11/1997 before 12 noon (Beirut time).
Envelope No. 1 (technical and administrative) will be opened in the presence of all bidders wishing to attend in the CDR offices at 12 noon (Beirut time) on Monday 17/11/1997. The tender committee will evaluate the offers in order to assess the suitability of bidders to carry out the project and will then prepare the list of the prequalified candidates. Envelope No. 2 (financial) of the candidates who do not qualify will be returned unopened.
Envelope No.2 (financial) of prequalified bidders will be opened in the presence of all such bidders wishing to attend on a date to be notified.
For further information please contact: The Council for Development and Reconstruction - Tallet el Serail - Beirut, Lebanon - Tel: +961 1 643981/2/3 - Fax: +961 1 864494

REPUBLIC OF LEBANON
MUNICIPALITY OF TRIPOLI
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
Notice of re-invitation to tender for the
Build, Operate and Transfer (BOT) contract for a
development project comprising a cultural and commercial complex & car park
at Tall Square - Tripoli

The Lebanese Government, represented by the Council for Development and Reconstruction and the Municipality of Tripoli, announce the re-tendering of the Build, Operate and Transfer contract for the above-mentioned project.
The candidates eligible to bid are the Lebanese or foreign firms acting alone or in joint venture with others which are judged suitable to carry out this type of project on the basis of the criteria set out in tender documents
The tender document will be available as of Wednesday 1/10/1997 from the Council for Development and Reconstruction, Tallet el Serail, Beirut, Lebanon. Candidates may obtain the document against payment of US$2,000 (Two thousand US dollars) by means of a certified banker's cheque drawn in favour of the Council for Development and Reconstruction. Bidders who purchased the tender document for the first invitation to tender will receive the new document free of charge.
Bids should be delivered to the CDR office for receipt of tenders by Monday 1/12/1997 before 12 noon (Beirut time).
Envelope No. 1 (technical and administrative) will be opened in the presence of all bidders wishing to attend in the CDR offices at 12 noon (Beirut time) on Monday 1/12/1997. The tender committee will evaluate the offers in order to assess the suitability of bidders to carry out the project and will then prepare the list of the prequalified candidates. Envelope No. 2 (financial) of the candidates who do not qualify will be returned unopened.
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259,000

Total executive readers
Source: IPSOS working executives 1997 - A.I.R.

N°1 for opinion leaders

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19.1 %

% of opinion leaders questioned who read at least 3 copies per week.
Source: IFOP opinion leaders survey. April 1996, covering 1,100 French political and economic personalities and intellectuals.

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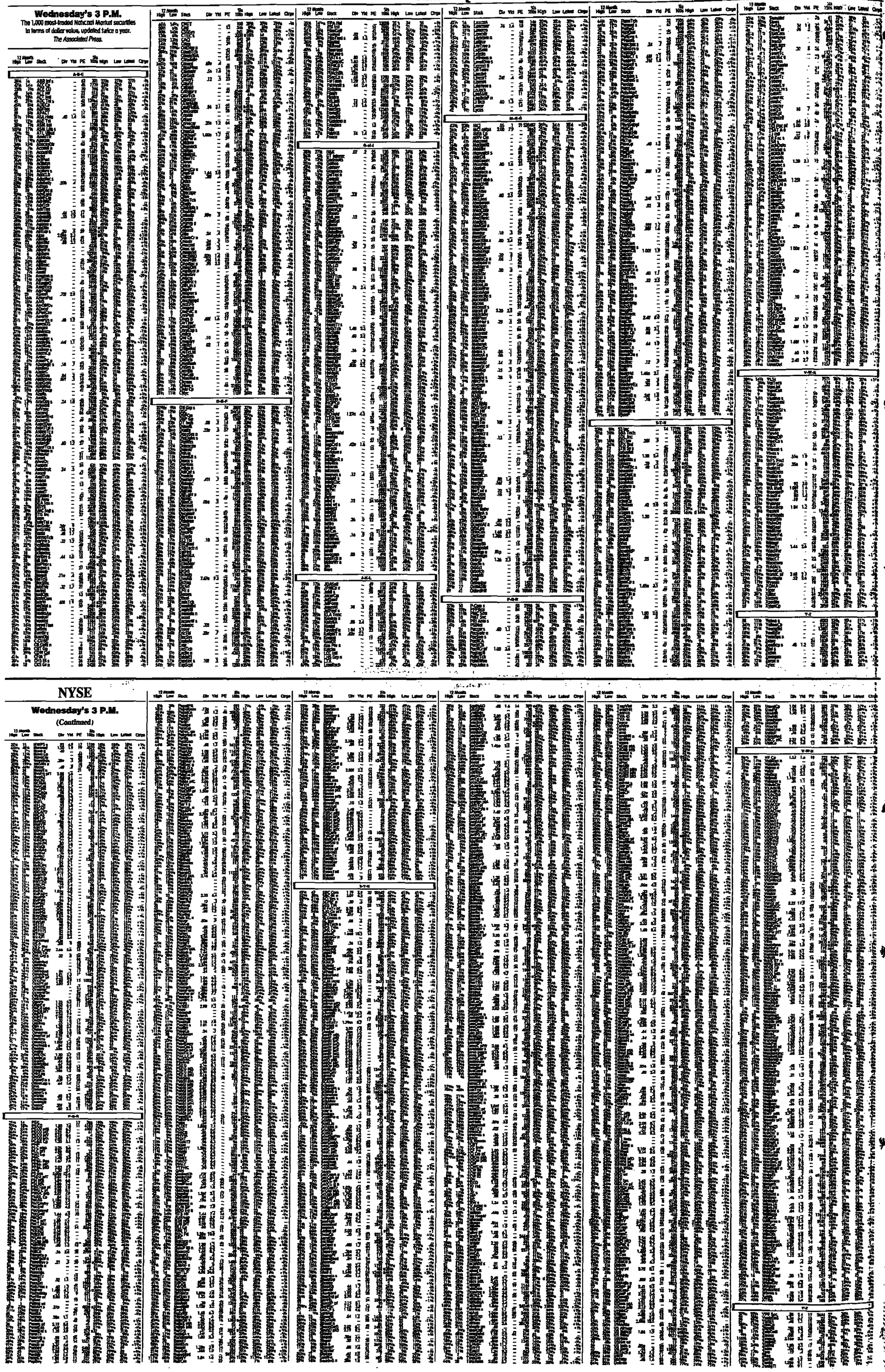
NASDAQ

Wednesday's 3 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.



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Wednesday's 3 P.M.

(Continued)

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October 1, 1997

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s - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- New; S - suspended; SIS - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; • - Paris exchange; ++ -Amsterdam exchange; a - misquoted earlier; z-not registered with regulatory authority; P: Middle of bid and offered price, E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

The Communicator.
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Herald International Tribune
SPORTS

WORLD ROUNDUP

A Tie in One-Day International Game

CRICKET Chris Harris hit a brilliant 77 Wednesday to give New Zealand an improbable tie with Zimbabwe in Bulawayo in the first of three one-day cricket internationals.

Zimbabwe batted first and made 233 runs for nine wickets in its 50 overs. In reply, New Zealand staggered to 137 for seven wickets in 36 overs. With two overs left, New Zealand needed 30 runs with only two wickets left. Harris and Gavin Larsen scored 15 in the penultimate over. Harris hit a four off the fifth ball of the last over and needed to score two to win the match off the last ball. He was run out going for the second to leave the two teams level on runs and wickets. *(Reuters, AFP)*

Samaranch Talks Golf

OLYMPICS The International Olympic Committee has opened discussions with golf organizations on including golf in the Olympics but said it almost certainly would not happen before 2004.

Juan Antonio Samaranch, the IOC president, met with leaders of golf bodies in Spain last weekend during the Ryder Cup.

Gilbert Felli, IOC sports director, said talks involved the World Amateur Golf Council, the Royal and Ancient Golf Club of St. Andrews, the European Golf Association, the U.S. Golf Association, the PGA of America, the U.S. PGA Tour and the PGA European Tour. Felli said the talks were preliminary and no consensus was reached.

Golf was in the Olympics in 1900 in Paris and 1904 in St. Louis. Organizers of the 1996 Atlanta Olympics sought to have golf added to their Games but had to drop the idea after controversy over the proposed venue at Augusta. *(AP)*

Nuggets Trade McDyess

BASKETBALL The Denver Nuggets unloaded an unhappy forward, Antonio McDyess, on Wednesday, sending him to Phoenix in a three-way trade that also sent Wesley Person, a shooting guard, from the Suns to Cleveland.

The Nuggets received two first- and two second-round draft picks, plus cash, said Herb Rudow, Person's agent. Cleveland sent a first-round pick to Phoenix for Person. The Suns packaged that pick with their own first- and two second-rounders, Rudow said. *(AP)*

Seau Signs for Life

FOOTBALL Junior Seau is again the highest paid NFL linebacker. The San Diego Chargers extended Seau's contract until 2002 a deal that will pay the 28-year-old $27.1 million, including a $6 million signing bonus.

The deal averages a little more than $4.5 million a year. Earlier this year, Derrick Thomas signed a seven-year deal with Kansas City that averages about $4.25 million. *(AP)*

AP

SWISS HIT — Petr Korda returning to Nicolas Escude of France in the first round the Basel Indoors event Wednesday. Korda won by 6-1, 6-4.

Sampdoria And Arsenal Shown the Exit Door

Reuters

LONDON — Sampdoria and Arsenal, both recent winners of European trophies, tumbled out of the UEFA Cup at the first hurdle and were joined in defeat by Benfica of Portugal and Rangers, the Scottish champion.

In London, big-spending Arsenal marked a year under Arsene Wenger's

UEFA CUP SOCCER

management with a 1-1 draw and a 2-1 defeat on aggregate to PAOK Salonika of Greece.

The Dutch striker Dennis Bergkamp, whose fear of flying prevented him from playing in the away leg in Greece, gave the Gunners the lead after 22 minutes at Highbury.

Arsenal pressed hard but could not score again, and with two minutes to play Zissis Vrizas equalized for the Greeks and propelled them into the second round.

"We were not good enough in Greece, we were not lucky enough tonight," said Wenger, whose team leads the English Premier League.

Benfica, a former winner of the more prestigious European Cup, had fired its coach last week. It drew, 0-0, in Lisbon against Bastia and went out, 1-0, on aggregate to the French team. Bastia ended the match with 10 men after its captain, Patrick Moreau, was sent off in the 88th minute.

Sampdoria, like Arsenal a former winner of the Cup Winners Cup, lost 2-0 in Spain to Athletic Bilbao and was eliminated, 4-1, on aggregate. Sampdoria's goalkeeper, Fabrizio Ferron, was sent off in the 39th minute.

In Glasgow, Rangers' expensive team suffered yet another European humiliation. It lost, 2-1, to Strasbourg even though the French team played the last 30 minutes with 10 men after Christophe Kinet was sent off. Strasbourg won 4-2 on aggregate.

Inter Milan cruised into the second round by beating Neuchatel Xamax of Switzerland, 2-0, for a 4-0 aggregate triumph.

Lazio of Italy conceded a goal after just 12 seconds. Later, Giuseppe Signori missed a penalty. But the Rome team still beat Portugal's Vitoria Guimaraes, 2-1, for a 6-1 aggregate victory.

Leicester City of England lost 2-0 at home — 4-1 on aggregate — to Atletico Madrid. Both clubs had a man sent off before Juninho, who once played for Middlesbrough in England, scored the opening goal.

Liverpool drew, 0-0, with Celtic at Anfield and went through on away goals after its 2-2 draw in Glasgow.

In Birmingham, after more than three hours of scoreless soccer, Savo Milosevic scored in extra time to give Aston Villa a 1-0 victory over Bordeaux.

Nantes of France also went out to a solitary goal, losing 1-0 at home to Denmark's Aarhus.

Twente Enschede of the Netherlands went through, 2-2, on away goals against Norway's Lillestrom in a match that saw two penalties in the last two minutes.

Mamadou Diallo scored for 10-man Lillestrom in the 89th minute. But Jan Van Alst's spot kick just seconds later won it for the Dutch.

At halftime in Brussels, Anderlecht trailed SV Salzburg, 2-0, and 6-3 overall. But the Belgian team scored four goals in the second half to win, 7-6, on aggregate.

Croatia Zagreb, which had conceded four goals at home to the Swiss team Grasshopper, won 5-0 in the return match for a 9-4 aggregate score.

Ajax Amsterdam beat Maribor of Slovenia, 9-1, for a 10-2 aggregate victory.

Owen Humphreys/The Associated Press

Patrik Berger of Liverpool, which advanced on away goals, being hounded by Celtic's Craig Burley, right.

Batistuta: 'Prisoner' of Florence

International Herald Tribune

World Soccer/**ROB HUGHES**

LONDON — The angle is often acute, but the eye is sharper still. On current form, Gabriel Batistuta will have overtaken every foreign accumulator of goals Italy has known by the end of October. The Argentine in Florence has amassed 94 goals in Serie A, just four short of Abel Balbo, who holds the record for *stranieri* in the land where scoring has always been hardest.

Italians wrap their cloak of acclaim especially round strangers who consistently hit the net. They revere the art.

Balbo, another Argentine, is winding down his career at A.S. Roma while Batistuta, in renaissance after a brooding 12 months, is back.

Thirty-five goalkeepers from 25 Italian clubs know his sting, though some never felt a thing. He struck when they were unaware.

They know, and every defender knows, that his right foot is most powerful and the left foot and head capable. They know, too, that Batistuta's potency increases toward the end of a match when opponents lose concentration.

In the purple of Fiorentina, "The Archangel Gabriel" opened this season with three goals against Udinese. Next, against Bari, he struck inside 12 seconds, and later from long range.

In the San Siro, determined to outshine Inter Milan's Ronaldo, Batistuta twice hit the underside of the goal frame. Denial spurred him. From an angle so tight it almost forbade an attempt, he arrowed the ball beyond the open-mouthed goalie.

At Empoli last Sunday, Batistuta made it seven goals from four starts. He is chasing his own Italian all-comers record of 15 goals from 11 consecutive Serie A contests at the start of the 1994-5 season.

Batistuta is a phenomenon, if occasionally a troubled one. Intellect can inhibit the scoring process because to question the logic of shooting from improbable angles must complicate something better left to instinct.

Batistuta, undoubtedly intelligent, ignores that logic for club and, when chosen, country. He has outscored Diego Maradona for Argentina.

Yet, if he sometimes ponders the worth of his existence, not least on European club nights when he has no platform because the Florentine team is not supportive enough, it comes from his background.

Batistuta is a reluctant professional. He was content six years ago playing for enjoyment while furthering his schooling. He had eyes on a medical career.

That, however, takes time and study. It could not lift Batistuta, his mother and later his own family, out of relative hardship in Santa Fe, where he was born in 1969. Soccer has that power. At 18, comparatively late, Batistuta was lured to Newell's Old Boys in Rosario. A talent scout by the name of Bernardo Griffa, his eye as keen as Batistuta's, sold the teenager the dream.

It was, inevitably, a self-seeking agent, Settimo Aloisio, who arranged Batistuta's export, from his second club, Boca Juniors, to Fiorentina. Indeed, Aloisio did a double-deal, persuading the Cecchi Gorri family in Florence to take Batistuta and his strike partner Diego Lattore as a duo.

Lattore, already in his second university year, studying economics, was the main attraction. He came with a video of more than 100 goals, scored with a virtuoso's vision and touch.

STRIKING STRANGERS

All-Time Top Foreign Goalscorers in Italy's Serie A

Player	Matches	Goals	Ratio
Abel Balbo, Argentina	180	98	0.544
Gabriel Batistuta, Arg.	158	94	0.595
Marco Van Basten, Neth.	147	90	0.612
Ruben Sosa, Uruguay	200	84	0.420
Diego Maradona, Arg.	188	81	0.431

Lattore came from a close middle-class Buenos Aires family. He seemed made for the mantle of the New Diego, the "Good Diego," as Argentina's El Grafico magazine dubbed him.

Alas, frail either in body or, perhaps ultimately, in spirit, Lattore never made a mark in Florence. He was loaned out to Swiss clubs, back to Boca for a summer, more recently to Tenerife in Spain. Still an undeniably hypnotic talent, but by now left in the wake of "Batigol."

Relentless has been the strike rate of Batistuta's six seasons in front of the adoring followers of the Curva Fiesole, Fiorentina's partisan and demanding semicircle of soccer obsessives.

"The boys on the Fiesole," he once said, "were the only ones who believed in me during my first, difficult six months."

These were months, apparently, that made the long study of medicine a yearned-for alternative. Months in which colleagues ignored him and newspaper columnists lampooned him.

Batistuta wears his hair long, like Mario Kempes, the striker he idolized. Yet, Daniel Passarella, the Argentine national coach, issued a sergeant major's diktat: Snip those locks or be locked out of the national squad.

Batistuta met stubbornness with stubbornness and stayed too long outside the Argentine selection.

Last season, he suffered serious injuries for the first time. This is remarkable because, at 5 foot 9 inches (1 meter 75), he is no Hercules in the No. 9 shirt, a position where the buffeting was so bad that the much taller Marco Van Basten was crippled into early retirement.

Last year, Batistuta lost his enthusiasm. He ached for a move, but that was more than Vittorio Cecchi Gorri dared permit, even though, a couple of seasons ago, Real Madrid offered $18 million.

"Commercially, it is tempting," Cecchi Gorri said. "But Batistuta is the emblem of Florence, almost as if he were the son of Lorenzo dei Medici."

So, a Florentine "prisoner" he remains. The captain now, selflessly making runs for others, moving back to defend, still uncannily eluding markers to find space to score.

"I'm still at Fiorentina," he said last week. "So, whatever I do carries less weight than at Inter or Barcelona."

Inter and Barca had been bidders last season, and some suggested Manchester United, the English champion, should have been. United, desperately seeking a big-match striker, has just announced record profits of $44 million. Batistuta, meanwhile, craves a place on the biggest stage in his sport.

Rob Hughes is on the staff of The Times of London.

Braves Need Only 2 Hits For Victory Over Astros

By Mike Downey
Los Angeles Times Service

ATLANTA — Darryl Kile of the Houston Astros pitched a two-hitter — holding the defending National League champion Atlanta Braves without a hit after the second inning — and lost.

Game 1 of this National League playoff series went to the Braves, 2-1, on Tuesday, because a bases-empty home run by Ryan Klesko, leading off the second inning against Kile, gave the four-time Cy Young Award winner Greg Maddux a 2-0 lead, which was all he needed.

Maddux allowed seven singles and pitched a complete game. His most serious challenge came in the eighth inning, with the dangerous Jeff Bagwell at the plate and the tying run on second base. Maddux struck out Bagwell with a wicked, full-count change-up.

Atlanta's catcher, Eddie Perez, was asked, "Was that unhittable?"

"Untouchable," he replied.

On the previous pitch, Bob Abreu — who led off the eighth with a pinch-single — stole second. Maddux was busy with Bagwell, setting him up for the strikeout pitch with an 86 mile-an-hour fastball, about as hard as he threw all day.

He had told Perez exactly what he planned to do. The change-up came inside to Bagwell, who swung clumsily as the ball dropped at his feet.

Bagwell said it was the only inside pitch Maddux threw him all day.

"When you see it coming inside, you think heater," Bagwell said. "Then the bottom drops out of it, and we're out of the inning."

The studious Maddux — who had an unfinished crossword puzzle in his locker — made a mental note that Bagwell had made outs on first-pitch fastballs his first two times up.

Maddux doesn't miss much. He kept the "Killer B's" — Craig Biggio, Derek Bell and Bagwell — at the top of Houston's batting order hitless (0 for 12).

As usual, the pitcher downplayed the importance of anything he did.

He said things like, "You got to get all nine guys out. I mean, the pitcher had two hits today."

Kile, indeed, contributed to his own cause with two singles, knocking in the only Astro run.

His catcher, Tony Eusebio, got a one-out base hit in the fifth, then startled Maddux and the Braves by stealing a base, the first of a career spanning 864 at-bats. Eusebio took third on a groundout, then scored when Kile, a .124 hitter, lined a 2-0 pitch into center field off perhaps the best pitcher in baseball.

"I got lucky. The ball fell on my bat," Kile said.

Maddux demurred, saying, "He was being nice. He got me."

That run cut Atlanta's lead in half, to 2-1.

Kenny Lofton had led off the first inning against Kile by doubling, advancing on a fly to right and scoring on Chipper Jones's sacrifice fly to left. It was exactly the sort of "little ball" Kile had said he feared most from the Braves.

There was nothing little about Klesko's first-pitch homer in the second inning, which flew 391 feet (119 meters) over the fence in right field.

Klesko's tippy-toe Babe Ruth trot ate up a sizable portion of the 2-hour, 15-minute game.

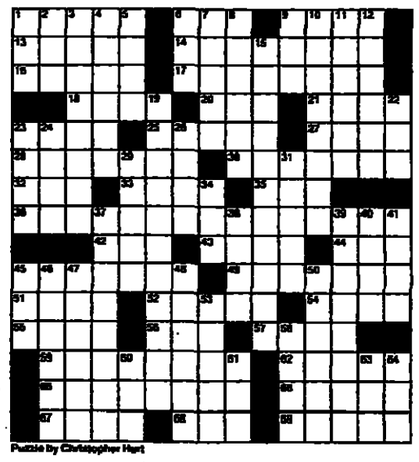
CROSSWORD

ACROSS

1 Petit chapeau
6 Crosswordy rattle
9 Theater box
13 Its capital is Oranjestad
14 "—— Life of Johnson" (classic biography)
15 — Caesar (Caligula)
17 Genius
18 Teetotalers
20 Torso's washboard
21 British baby bearer
23 —— Domini
25 French number with three 0's
27 Ones, when marching
28 Mrs. John Quincy Adams and others
30 Wraps
32 Actress Penelope —— Miller
33 Use clippers
35 Turtle dove
36 Genius
42 "—— questions?"
43 Bartoli performance
44 —— Berg, the intellectual of Baseball
45 Convertibles
49 Collected works
51 Substance from which the universe was created
52 Like a hermit
54 Robin's residence
55 It towers over Taormina
56 0
57 Univ. recruiter
59 Genius
62 Kind of board
65 Hotel chain
66 Like a carpet
67 Associate with riffraff
68 Lao——
69 Hot pot and others

DOWN

1 It plays it
2 Mouths, to 16-Across
3 One who'd like to know more
4 Classic 1896 Alfred Jarry play
5 "No sweat!"
6 Tidal movement
7 Upright
8 In working order
9 Writer Deighton
10 Op-ed artist Pat
11 Expresses anger, in a way
12 Pleasant distraction
16 Know-it-all
19 Know-it-all
22 Submissions to S. & S.
23 Brand of *daminozide*
24 It's outlawed
26 Horned goddess
29 Shorthander, for short
31 First name in late-night TV
34 1990 Matsushita acquisition
37 Nepalese capital
38 Press
39 One who doesn't know much
40 ——chef
41 Toe in the water
45 Manhattan ingredient
46 Changes a suit
47 Agreeable
48 Most artful
50 Just know
53 Medleys
58 Buttertingers' remark
60 Actor Alastair
61 22.5°
63 Maimonides, for one
64 Spots



Puzzle by Christopher Hart

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Oct. 1

A	C	R	E			C	O	S		C	A	B	L	E
C	H	A	S		K	A	N	T		O	R	I	O	N
T	E	M	P		I	D	E	A		B	R	E	A	D
	F	A	R	E	W	E	L	L	T	O	A	R	M	S
			E	X	I	T		E	E	L	Y			
B	O	A	S	T	S		L	M	N		S	A	A	B
A	R	I	S	E		M	E	A	T	S		T	V	A
S	O	L	O	N	G	A	T	T	H	E	F	A	I	R
E	N	E		D	O	N	N	E		R	E	R	A	N
D	O	D	O		D	I	O		B	A	S	I	N	S
			H	A	L	F		D	E	P	T			
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A	T	S	E	A		S	O	A	K		V	A	I	L
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S	C	O	R	E		O	D	E			L	E	O	N

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صكذا من الاصل

SPORTS

3 Consecutive Homers Revive Yankees, 8-6

By Jack Curry
New York Times Service

NEW YORK — The first baseball soared into the upper deck in right field and tied the score. The second baseball spiraled into the left-field seats and gave the Yankees a lead. The third baseball soared over the center-field fence to inflate the edge and transform Yankee Stadium into a rollicking baseball setting.

Fans could not believe what they had witnessed — back-to-back-to-back home runs by Tim Raines, Derek Jeter and Paul O'Neill. Who could blame them? It had never been done in any postseason game.

The homers helped the defending World Series champions overcome an anguished and ineffective pitching effort by David Cone, who suffered through a five-run first inning. But his teammates never let that sluggish start stop them in Game 1 of the American League division series with Cleveland.

They stayed relaxed as Ramiro Mendoza replaced Cone in the fourth and stifled the Indians. They stayed ready when Orel Hershiser and Eric Plunk mimicked Cone's ineffectiveness. And they reacted with five runs of their own during a memorable sixth inning to rebound from a 6-1 deficit and steal a thrilling 8-6 victory.

"It's incredible," said a grateful Cone. "What a game. What an incredible game. I was shaky. I gave up five runs, and we came back. What an incredible victory."

With the Indians leading 6-4, Rey Sanchez on first base after his run-scoring single and two out in the sixth, Plunk tried to get a forkball on a 2-1 count past Raines, who drilled it for a towering home run into the upper deck. Raines's shot traveled 401 feet, and the Yankees had tied the game, 6-6. The fans remained on their feet until Raines responded by waving his helmet in a curtain call, his first as a Yankee.

Jeter was the first Yankee to tap fists with Raines, and then he duplicated his teammate's feat by swatting the ball into the first few rows of the left field seats on an 0-2 fastball to put New York in front, 7-6. The pitch was inside and Jeter barely extended his arms, but the ball journeyed 375 feet.

"I don't hit many, so I'm excited," Jeter said. "I think the fans blew it out."

After the left-hander Paul Assenmacher replaced Plunk, O'Neill reached out on an 0-2 fastball and crushed it over the black 408-foot sign in center to give the Yankees an 8-6 lead that erased Cone's pathetic performance and allowed the team to feel a little like 1996.

"With a five-game series, there would have been a lot of pressure coming back the next day being down 0-1," O'Neill said. "This was a huge win."

Cone desperately wanted to pitch Tuesday night's opener even though he had missed 33 days of the season starting in mid-August with tendonitis in his right shoulder and admitted that he was not at full strength.

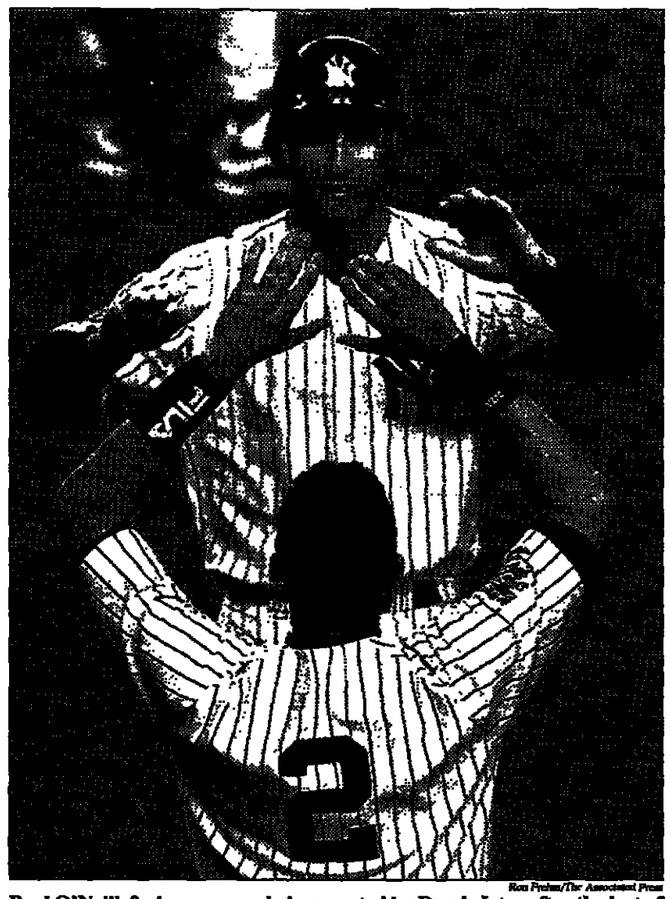
After Cone was scorched for six earned runs on seven hits while walking two, striking out two, throwing a wild pitch and hitting one batter in 3⅓ innings, Mendoza replaced him in the fourth and retired 10 of 11 batters.

While Mendoza silenced the Indians, the Yanks crept back with one run in the fourth, one in the fifth and five in the fateful sixth. Mike Stanton and Jeff Nelson followed Mendoza, and Mariano Rivera notched the last four outs as the bullpen pitched 5⅔ scoreless innings to save Cone.

Sandy Alomar's three-run homer climaxed a five-run first in which Cone allowed one run to score on a wild pitch, had no power on his fastball and needed 31 pitches to secure three outs.

The tortuous inning helped to ensure that it would be a short night for Cone, who threw a total of 63 pitches and was in the dugout for good before the fourth inning ended. While the Yankees were elated about the come-from-behind triumph, they might have to reconsider whether Cone will be able to pitch a possible Game 5.

"I put us in a hole," said Cone, who said his wobbly arm felt fine. "I'm very lucky to be standing here talking on the winning side of it."



Ron Frehm/The Associated Press

Paul O'Neill, facing camera, being greeted by Derek Jeter after the last of three consecutive Yankee home runs capped a rally to beat the Indians.

Renteria's Clutch Hit Lifts Marlins to Victory

By William Gildea
Washington Post Service

MIAMI — Edgar Renteria delivered an opposite-field single to right with the bases loaded and two outs in the ninth inning to give the Florida Marlins a 2-1 victory over the San Francisco Giants in the opening game of their best-of-five National League first-round series at Pro Player Stadium.

The hit, Renteria's second of Tuesday night's game, came off a reliever, Roberto Hernandez, and made a loser of Julian Tavarez. It came after the Marlins' right-hander Kevin Brown and the Giants' left-hander Kirk Rueter both turned in stellar performances for seven innings to set up the dramatic finish.

Renteria, a 22-year-old Colombian who had a club-leading 171 hits during the regular season, was mobbed by teammates rushing from their dugout to celebrate.

It was the seventh time this season that Renteria had delivered a game-winning hit in the Marlins' last turn at bat, and it gave the team a victory in the first playoff game in the Marlins' five-year history.

Brown and Rueter each struck out five and allowed four hits. Each gave up a solo home run in the seventh inning.

Bill Mueller, who hit only seven home runs all season, gave the Giants a short-lived lead in the top of the seventh with his first homer since Aug. 31. Then Charles Johnson, the Marlins' catcher, tied the game with a home run in the bottom of the inning.

Both clubs went to their bullpens, and Dennis Cook, a Marlins' left-hander, retired the six batters he faced to gain the victory.

The Marlins threatened in the sixth and eighth innings, but finally set up the outcome against Tavarez in the ninth. Jeff Conine, an original Marlin, opened the inning with a single. Tavarez then hit Johnson. Hernandez worked the count to 2-2 against Craig Counsell, who failed to bunt on two pitches. But Jim Leyland, the Florida manager, kept the bunt on, and Counsell succeeded in dropping a sacrifice along the third-base line.

Jim Eisenreich, pinch-hitting, was walked intentionally to load the bases. With the infield drawn in, Devon White hit sharply to Jeff Kent, the second baseman, who threw home to force Conine. That left matters up to Renteria, who had a single earlier and had hit the ball hard two other times.

Hernandez got behind in the count, 2-0. Renteria took a strike. Then he saw a pitch he liked and drove it between second and first, giving the Marlins a victory in their final at-bat for the 25th time this season.

Tavarez needed a double-play ground ball to get out of the eighth inning, but Dusty Baker, the Giants' manager, said he didn't hesitate using him in the ninth.

"He was throwing the ball good so we decided to go with him," Baker said. "He hit Johnson, which set up the whole inning. Kirk did his job. But everybody knows they're a tough ball club and a very tough club in their own park."

Leyland has been taking medication for a case of walking pneumonia, but said he would have felt a lot worse had the Marlins lost.

"It was a great ball game, great pitching on both sides," he said. "It was a well-executed bunt with two strikes by Craig Counsell. That's tough to do. It was just a great playoff game. Renteria, caught a break when the pitcher got behind 2-0.

"That puts a little extra pressure on the pitcher; he has to lay one in there. We've had a lot of wins like that during the year. You don't expect that in the playoffs, but it happened today."

Orioles Go With No-Name Righties

Washington Post Service

Vantage Point / THOMAS BOSWELL

SEATTLE — *Some people are fascinated by baseball all their lives.* The playoff game at the Kingdome on Wednesday was a wonderful illustration why. Nothing akin to what happened in Game 1 could occur in any other sport. Nothing so gloriously loony, so counterintuitive, so inside-the-inside, would even be contemplated.

Every sport has its own special stuff that gives you a tingle. Baseball has Davey Johnson, his job as the Orioles' manager in jeopardy, having the guts, or maybe just the hubris, to bench four of his best players in the biggest game of the season.

Why? Because he thinks savvy strategy, plotted over a whole season, *can defeat a legend called the Big Unit.* He may be betting his career in Baltimore on it.

"I know I'm leaving myself wide open to get my neck cut off," Johnson said Tuesday. "But if we lose, I'm going to get my neck cut off anyway."

Randy Johnson is the modern equivalent of Walter Johnson, Bob Feller or Sandy Koufax. Johnson is so good, going a ridiculous 43-6 the last three seasons, that it would be unfair to compare him to a mere Nolan Ryan. To boot, Johnson, with his 100-miles an hour (160 kph) sidearm heat, may be the most intimidating pitcher ever. "Randy has as good pure stuff as anybody who has stepped on a major league mound," said Brady Anderson. "His fastball is different. You have to experience it."

So, how are the Orioles responding to this challenge? For openers, they'll bench Robby Alomar, Rafael Palmeiro, Harold Baines and B.J. Surhoff.

"I was leaning another way," said Davey Johnson, "but...."

What the heck. It's more fun this way.

Alomar and Palmeiro, both all-stars this season, will be replaced by Jeff Reboulet and Jerome Walton, a pair of career utility men. Reboulet hit .237. Walton, hurt often, has nine RBI. Eric Davis is still underweight after cancer surgery and struck out four times in a game last week. Jeffrey Hammonds will sub for Baines, who has 1,425 RBI.

Everyone who loves baseball believes that attention to the telling detail pays rewards. The more you know, the more you suddenly see new things that others don't see. Or else you trick yourself into thinking you know more than you do. Which is it, Davey?

So far this season, the Orioles' tactic has worked three times against Johnson in three meetings. Yet the Orioles' battle plan isn't just to start as many right-handed hitters as possible.

That's part of it. Johnson terrifies many lefties and sends some, specifically Palmeiro, into slumps. But the lineup is more subtle than that.

Lefty Anderson is the ideal leadoff man against Johnson. He stands on top of the plate. He'd rather be hit by a pitch (18 times) than flinch an inch.

Following Anderson are eight righties who have been assembled with a common trait in mind. All except Cal Ripken are fastball hitters. Throw a good low change-up to Geronimo Berroa, Walton, Davis or Chris Hoiles and they're likely to screw themselves into the ground and miss it by a foot. Throw a slow curve to Reboulet, Hammonds or Mike Bordick and they are liable to chase it even if it bounces.

But Randy Johnson doesn't have a change-up, a slow curve or even a forkball. He has a fastball and a slider. You take your guess. And, every time, you try to hit he ball off the wall or over it.

Two-thirds of the runs off Johnson have come on 20 home runs. That's the Orioles' game plan: Be patient, don't chase high fastballs and swing hard.

SCOREBOARD

BASEBALL

MAJOR LEAGUE PLAYOFFS

TUESDAY'S LINESCORES
AMERICAN LEAGUE

Cleveland	500	100	000	—6	11	0
New York	010	115	00x	—8	11	0

Hershiser, Morman (5), Plunk (5), Assenmacher (6), M. Jackson (7) and S. Alomar; Cone, Mendoza (4), Stanton (7), Nelson (7), M. Rivera (8) and Girardi. W—Mendoza 1-0. L—Plunk 0-1. Sv—M. Rivera (1). HRs—Cleveland, S. Alomar (1). New York, Raines (1), Jeter (1), O'Neill (1), T. Martinez (1).

(New York leads series 1-0)

NATIONAL LEAGUE

Houston	000	010	000	—1	7	1
Atlanta	110	000	00x	—2	2	0

Kile, R. Springer (8), T. Martin (8) and Eusebio; G.Maddux and Ed.Perez. W—G. Maddux 1-0. L—Kile 0-1. HR—Atlanta, Klesko (1).

(Atlanta leads series 1-0)

San Francisco	000	000	100	—1	4	0
Florida	000	000	101	—2	7	0

Rueter, Tavarez (8), R. Hernandez (9) and B. Johnson; K.J.Brown, Cook (8) and C. Johnson. W—Cook 1-0. L—Tavarez 0-1. HRs—San Francisco, Mueller (1). Florida, C. Johnson (1).

(Florida leads series 1-0)

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
x-Yakult	79	50	2	.611	—
Yokohama	69	57	0	.548	8½
Hiroshima	64	63	0	.504	14
Yomiuri	60	71	0	.458	20
Hanshin	58	72	1	.447	21½
Chunichi	57	74	1	.436	23

x-clinched league title

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	74	53	3	.581	—
Orix	65	58	3	.528	7
Kintetsu	65	61	4	.515	8½
Daiei	59	67	1	.469	14½
Nippon Ham	62	71	1	.466	15
Lotte	55	70	2	.441	18

WEDNESDAY'S RESULTS
CENTRAL LEAGUE
Chunichi 7, Yakult 5
Hanshin 4, Hiroshima 1
PACIFIC LEAGUE
Seibu 12, Orix 4
Nippon Ham 3, Lotte 2

BASKETBALL

EUROLEAGUE

GROUP A
CSKA Moscow 71, Maccabi Tel Aviv 63
GROUP C
Partizan Belgrade 79, Hapoel Jerusalem 59

CRICKET

ZIMBABWE VS. NEW ZEALAND
1ST ONE-DAY INTERNATIONAL
WEDNESDAY, IN BULAWAYO, ZIMBABWE
Zimbabwe: 233-8 (50 overs)
New Zealand: 233-9 (50 overs)
The match endedin a tie.

SOCCER

UEFA CUP

FIRST ROUND, SECOND LEG
Ajax Amsterdam 9, Maribor Teofanic 1
Ajax advanced on 10-2 aggregate
Alania Vladikavkaz 1, MTK FC Budapest 1
MTK FC advanced on 4-1 aggregate
Anderlecht 4, Salzburg 2
Anderlecht advanced on 7-6 aggregate
Anorthosis Famagusta 1, Karlsruhe 1
Karlsruhe advanced on 3-2 aggregate
Arsenal 1, PAOK Salonica 1
PAOK advanced on 2-1 aggregate
Aston Villa 1, Bordeaux 0
Aston Villa advanced on 1-0 aggregate
Athletic Bilbao 2, Sampdoria of Genoa 0
Athletic advanced on 4-1 aggregate
Auxerre 0, Deportivo de La Coruna 0
Auxerre advanced on 2-1 aggregate
Benfica 0, Bastia 0
Bastia advanced on 1-0 aggregate
Braga 2, Vitesse Arnhem 0
Braga advanced on 3-2 aggregate
Brondby IF 2, Lyon 3
Lyon advanced on 7-3 aggregate
Club Brugge 3, Beitar Jerusalem 0
Club Brugge advanced on 4-2 aggregate
Dinamo Tbilisi 1, Mozyr 0
Dinamo advanced on 2-1 aggregate
Fenerbahce 2, Steaua Bucharest 1
Fenerbahce advanced on 2-1 aggregate
Ferencvaros 2, OFI Crete 1
OFI Crete advanced on 4-2 aggregate
Grasshoppers Zurich 0, Croatia Zagreb 5
Croatia advanced on 9-4 aggregate
Hajduk Split 2, Schalke 04 3
Schalke advanced on 5-2 aggregate
Hapoel Petah-Tikiya 1, Rapid Vienna 1
Rapid Vienna advanced on 2-1 aggregate
Lazio of Rome 2, Vitoria Guimaraes 1
Lazio of Rome advanced on 6-1 aggregate
Leicester 0, Atletico de Madrid 2
Atletico Madrid advanced on 4-1 aggregate
Lillestrom 1, Twente Enschede 2
Twente advanced 2-1 on away goals
Liverpool 0, Glasgow Celtic 0
Liverpool advanced 2-0 on away goals
Metz 4, Excelsior Mouscron 1
Metz advanced on 6-1 aggregate
1860 Munich 6, Jazz 1
1860 advanced on 7-1 aggregate
Nantes 0, Aarhus 1
Aarhus advanced on 3-2 aggregate
Neuchatel Xamax 0, Internazionale Milan 2
Internazionale advanced on 4-0 aggregate
Orebro 1, Rotor Volgograd 4
Volgograd advanced on 5-1 aggregate
Glasgow Rangers 1, Strasbourg 2
Strasbourg advanced on 4-2 aggregate
Skonto 1, Valladolid 0
Valladolid advanced on 2-1 aggregate
Spartak Moscow 2, Sion 2
Spartak advanced on 3-2 aggregate
VfL Bochum 5, Tratzonspor 3
VfL Bochum advanced on 6-5 aggregate
Udinese 3, Widzew Lodz 0
Udinese advanced on 3-1 aggregate

TRANSITIONS

BASEBALL
MAJOR LEAGUE
AMERICAN LEAGUE
CHICAGO—Agreed to terms with 1B Frank Thomas on 4-year contract extension. Fired Terry Bevington, manager.
TEXAS—Sent RHP Terry Clark, LHP Bryan Eversgerd, C Henry Mercedes, OF Alex Diaz, OF Marc Sagmoen and OF Mike Simms outright to Oklahoma City, AA.
NATIONAL LEAGUE
MONTREAL—Released RHP Lee Smith. Announced 3B Hensley Meulens has refused outright assignment and became free agent.
PHILADELPHIA—Fired Joe Rigoli, bullpen coach.
BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
ORLANDO—Signed G Rick Brunson.
FOOTBALL
NATIONAL FOOTBALL LEAGUE
NFL—Reinstated Philadelphia Eagles S Matt Stevens from his 4-game suspension.
NEW ENGLAND—Signed CB Steve Lofton. Released CB Scooter McGruder.
NEW ORLEANS—Traded WR Daryl Hobbs to Seattle for undisclosed 1998 draft choice.
N.Y. GIANTS—Put WR Ike Hilliard and LB Pete Monty on injured reserve. Signed RB Eric Pegram and C Bryan Stoltenberg. Waived CB Kary Blackwell from practice squad.
OAKLAND—Waived DL Greg Townsend.
PHILADELPHIA—Re-signed WR Justin Armour. Released PK Lanny Callocchia.
ST. LOUIS—Signed WR Malcolm Floyd. Released WR Jermaine Ross.
SAN DIEGO—Signed LB Junior Seau to 6-year contract extension.
HOCKEY
NATIONAL HOCKEY LEAGUE
BUFFALO—Signed LW Miroslav Satan to 1-year contract.
CAROLINA—Assigned F Bates Battaglia, F Jeff Daniels, D Nolan Pratt and G Mike Fountain to New Haven, AHL; G Pat Jablonski to Cleveland, IHL; C Steve Martins to Chicago, IHL.
CHICAGO—Sent RW Kevin Miller to Indianapolis, IHL.
LOS ANGELES—Signed G Jamie Storr to 1-year contract.

DENNIS THE MENACE

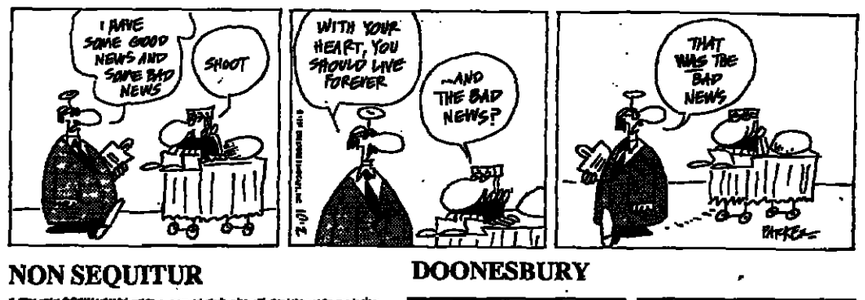
"IT REALLY WAS A SURPRISE PARTY, MOM! YOU DROPPED ME OFF AT THE WRONG HOUSE."

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID



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NON SEQUITUR

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JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

HELEC
URUGA
WEREVS
LAFFEB

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: AT

(Answers tomorrow)

Yesterday's Jumbles: PIOUS BERTH POUNCE APEDGE
Answer: What a pretty flower arrangement can be — A "BOUQUET-OF-PIECE"

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ART BUCHWALD

Pilots' Reunion

WASHINGTON — I went to the reunion of my World War II Marine Corps fighter squadron in New Bern, North Carolina, last week. Most of us were still in fine fettle and, if asked, would have gladly shot down any Japanese planes that were still thinking of attacking Pearl Harbor.

Buchwald

The reunion was particularly nostalgic because in order for us to get to New Bern we had to fly in planes that appeared to have been built in World War II. The airline company servicing New Bern was using prop planes that made the ones from our fighter squadron days look like the space shuttle.

□

As we sat around the Ready Room in the Holiday Inn, we discussed what World War II would have been like if the people behind today's airline counters had been in charge of the VMF-113's combat missions.

Frank Drury said, "Suppose we got the word that the Japanese were launching a surprise attack on Cherry Point? We'd say to the airline clerk at the New Bern airport, 'We have to have a squadron of fighter planes to avenge this day of infamy.'"

The clerk would ask: "Do you have any luggage?"

"Here's my driver's license. Just give me a plane."

"Your name doesn't see to be in our computer, sir."

"Of course it's in the computer. I made the reservation last month. Now hurry, I have to scramble so I can get above them when they come in."

□

"Did you want the special nightly fare, the 'no-frills' as we call it, where you can't land in Charlotte, or did you want to go business class with our free pretzel service?"

"I don't care as long as I can shoot down a Zero."

"I can give you a fighter plane, but you'll have to change in Atlanta, Georgia."

"Why?"

"Because everyone changes in Atlanta."

"O.K., just let me get in the sky so I can bring down one of these SOBs."

□

"Did you pack your own bags?"

"At a time like this what difference does it make? Our only mission is to shoot down enemy pilots."

"My computer is down, sir. I am unable to allocate a plane to you after all."

"But we're about to be attacked and we have to defend ourselves."

"Just take a seat over there and we'll route you via Dallas. Tora, Tora, Tora."

Berlin Turns Down Millennium Clock

Agence France-Presse

PARIS — A clock that was counting the seconds left until the year 2000 outside the Pompidou arts center and that was dismantled because of renovation work, is still looking for a new home after Berlin turned down an offer to set it up there.

The clock designers, Francois Scali and Alain Domingo, have asked the officials at the Pompidou to put the clock back on the plaza outside the center where it stood until April last year.

Catharsis and the Rebirth of Culture in Sarajevo

By Alan Riding
New York Times Service

SARAJEVO, Bosnia-Herzegovina — It was logical that Bosnia's first postwar movie should be about the war that savaged this country for four years. Yet barely 18 months after an uneasy peace was imposed by NATO, it seemed almost too soon to ask people here to relive the war as fiction.

The movie, "Perfect Circle," does not presume to tell the whole story of the conflict, opting instead to recount just one slice of life under siege through the experiences of a disheveled and boozy poet who gets his wife and daughter out of Sarajevo only to find himself looking after two orphaned brothers and a wounded dog.

The film 'Perfect Circle' is the first Bosnian portrayal of the conflict.

But the accompanying images of civilians killed by Bosnian Serb shells, of burning buildings and of never-ending fear released a rush of painful memories for many of the 3,000 Sarajevans attending the film's premiere in an open-air theater here this month. Moments of black humor prompted roars of laughter. But more often there were tears. It was too difficult to distinguish art from life.

"My purpose was not to make people uneasy," said Ademir Kenovic, 47, the director, who was among the few artists and intellectuals who remained in Sarajevo throughout the war. "I'd like to think the film can serve as a kind of catharsis. It can help people sort out their feelings. In place of the amazing hectic confusion in their heads, people can begin to give certain shape to their memories."

Abroad, the film may well disturb moviegoers in a different way, reminding them of how the West watched Sarajevo's passage through martyrdom. There are two other movies about the war, "Welcome to Sarajevo" (British-American) and "Comanche Territory" (Spanish), but Western journalists are the main protagonists in both. In contrast, "Perfect Circle" is the first authentically Bosnian portrayal of the conflict.

Yet perhaps the film's most important role is to announce the rebirth of Bosnia's tiny movie industry. And as such, it has come to reinforce the conviction of Sarajevo's reduced but resolute artistic community that in Sarajevo culture — music, the visual arts, theater and literature as well as cinema — should have a prominent place in this city's reconstruction.

Their point is simple. Before the fighting erupted in April 1992, culture flourished in a city that was a model of coexistence among Muslims, Serbs and Croats. Then, during the war, Sarajevo's multiethnic identity was eroded as Serbs and Croats fled and Muslim villagers sought refuge here. Now, these artists argue, culture offers the best hope of reviving Sarajevo's tradition as an open and tolerant city. Yet strangely, culture is struggling more now than during the war, when the academies of art, music and drama refused to close their doors and music and theater performances were regularly held in shelters and cellars. Some foreign artists also braved the shelling: Zubin Mehta conducted Mozart's Requiem in the ruins of the National Library, and Susan Sontag directed a production of Beckett's "Waiting for Godot."

A scene from Ademir Kenovic's "Perfect Circle," which opened the Sarajevo festival.

The Obala Art Center, founded in 1984 as an experimental theater group, was particularly active. Its new headquarters was destroyed by Serbs' artillery fire in May 1992, but its director, Mirsad Purivatra, organized "war cinema" — video screenings of new films smuggled in from abroad — as well as the first Sarajevo Film Festival, held in 1995 in a theater near the front line. The center also sponsored shows of artists' installations in an outdoor passage shielded from snipers.

But when the siege of Sarajevo ended in February 1996, culture suddenly became less important than finding homes for refugees, restoring water and electricity supplies and modernizing the Bosnian Army. "During the war, culture was an expression of resistance," said Sadudin Musabegovic, the dean of the Academy of Art. "Now, the country is destroyed, industry is destroyed and culture is marginalized."

For the moment, even with help from the Soros Foundation, the United Nations Educational, Scientific and Cultural Organization and several governments, there are simply not enough artists and teachers left in Sarajevo to sustain a cultural renaissance. Many fled during the war and few have returned.

In the world of music, the problem is even more evident. Before 1992, Sarajevo's three orchestras employed 300 professional musicians, but most left — and seven were killed — during the war. Now only the Sarajevo Philharmonic Orchestra survives, forced to bolster its 40 musicians by hiring instrumentalists from Slovenia and Croatia. Before the war, Emir Nuhanovic was its principal clarinetist; today he is also its chief conductor and general manager.

"The orchestra is indeed in very bad shape," a Paris-based conductor, Gary Brain, wrote in a report to Unesco. "It has no artistic director of any kind. As an orchestra, it is incomplete in that there are no oboes, bassoons, trumpets or horns. There is only one very elderly flute player. This is not an orchestra."

Nuhanovic struggles to keep things going. "The biggest problem is the lack of musicians," he said. "We can get them from abroad but we don't have enough money. We can't even pay salaries. I get money for a concert and I play the concert, but I don't know when the next concert will be."

Osman-Faruk Sijaric, the dean of the Music Academy, noted that he kept the school open throughout the war. "Some days no one showed up, but I came every day," he said, showing a visitor a shell hole in the concert room that has been left as a war memento. The number of students fell from 350 to around 80, and teachers from 80 to 25; now the school has 200 students and 40 teachers, half of them part-time.

With most other older artists still in exile, the field has now opened up for an entirely new generation of men and women in their twenties, some of whom, like Seric Nebojsa-Soba, spent four years as soldiers. "Before the war, art here was very conservative," he said at a rotating exhibition organized by the Soros Center for Contemporary Art. "Now, there are lots of installations, performances and video work."

Some of this work addresses the legacy of war, but many young artists seem eager to look forward. No one has money to buy art and that the city's 12 prewar galleries have been reduced to just four. "But there's great enthusiasm," said Dunja Blazevic, who directs the local Soros art center. "Over 200 artists applied to be part of this exhibition. And you know, even people from the neighborhood come to see it. They poke their heads in and ask: 'What's going on?' The important thing is that something's going on."

MINK AND SNEAKERS

Changing Times: Fur Industry Is Riding High Again

By Jennifer Steinhauer
New York Times Service

NEW YORK — Perhaps it started in the spring, when the fashion model Naomi Campbell, who once posed nude for an advertisement that read "I'd rather go naked than wear fur," strolled down the Fendi runway draped in a sable-lined coat from the Italian fashion house. Or maybe it was this fall, when all the important American retail fashion directors announced that they were buying something with fur. But what surely sealed it was the September issue of Vogue, whose cover featured a baby-blue Mongolian lamb jacket.

Fashion is once again placing its bets on fur, so recently a pariah in the industry.

Fashion magazines have sold more pages advertising fur this fall than they have in recent memory. Vogue sold 28 pages of fur ads for its fall issues, the most in a decade, said its publisher, Ronald A. Galotti. At Harper's Bazaar, fall fur ads for 1997 are up 87 percent from last year and are also at a 10-year high.

In the September issue of W magazine, the fashion directors of Neiman Marcus, Nordstrom, Saks Fifth Avenue, Bergdorf Goodman, Bloomingdale's and Barneys New York all praised fur — the first such group hug in years.

And maybe most striking, many more designers, often up-and-comers, now use fur in their collections, and in dozens of new ways. Indeed, 42 designers worked with fur in 1985, while nearly 160 do today, said Stephanie Kenyon, spokeswoman for the Fur Information Council. And they make far more than coats.

Fur is now used as trim on suits, woven through evening gowns and fashioned into handbags. The designer Michael Kors even sent a mink hooded sweatshirt down the runway last spring.

The rebirth of the fur business traces its roots to an odd confluence of circumstances, from a stronger economy and an expanding number of affluent people to growing annoyance with the tactics of anti-fur protesters to a mercurial swing in fashion and life styles, both of which have moved steadily from simplicity to conspicuous consumption.

To be sure, those who stand firmly against fur are enraged about the fashion industry's new embrace. "Fur is not back," insisted Ingrid Newkirk, president of People for the Ethical Treatment of Animals. "We are pretty flabbergasted that the fashion press has picked up on the fur industry's constant barrage."

The emergence of new designers can be credited almost entirely to the fur industry itself, which spent millions of dollars reaching out to them, teaching them how to work with fur, modernize dowdy looks and convince the trend-obsessed fashion press that fur is once again hip.

Kurt Bartholomew/The New York Times
The songwriter Carol Connors in white mink.

The fashion press is an essential part of the equation: It gives the green light on trends to retailers, who in turn buy from designers, who then buy advertisements in the fashion press. And all these players seem determined to bring back fur from its very public downfall at the beginning of the decade, when fur-draped matrons were doused with paint as they emerged from Macy's.

Already, fur sales in the United States have crept back from a 1991 low of $987 million, to $1.25 billion last year. Though that is far below the 1987 peak of $1.8 billion, retailers are confident that a rebound is under way.

"I started to see the handwriting on the wall in the summer of 1996," said Wanda Presburger, president of Somper Furs in Beverly Hills, California. "Clients started asking me to clean furs that they haven't had cleaned in a few years. They also started asking, 'What's new?'" She said her sales in 1996 were $1.6 million, a 20 percent increase from the previous year.

"It is absolutely tremendous," said Doyle Hoyer, president of Hoyer's Glasgow Ltd. in Fort Madison, Iowa. "I was up 18 percent last year over 1995, and the trend looks the same for this year."

Like cigars, large vehicles and red meat, fur may be on the brink of returning to the fold of socially acceptable indulgences as many wealthy consumers brush off early 1990s taboos in favor of flaunting their good fortune.

"Fashion is simply less drawn to the moral strictures that drove fur out," said Richard Martin, the curator of the Costume Institute at the Metropolitan Museum of Art. "In the late 1980s, people avoided stiletto heels out of a sense of prudence and morality, and it was the same thing with fur. But those forces are certainly waning now. There is a certain cultural sense now that if it feels good, wear it."

Debbie Porter, a sales clerk in Morrison, Illinois, bought her first fur coat six years ago but did not dare wear it too often for fear of confrontations with anti-fur protesters. "I would never wear it in an airport," she said. "That was just asking for trouble."

But lately she has draped herself in her ankle-length mink to go everywhere from dinner to the grocery store, pairing the coat with high heels or sneakers.

Demand for furs has clearly risen. The National Trappers' Association and other wildlife experts estimate that the number of wild animal skins now on the market is up at least 30 percent from 1992. The Seattle Fur Exchange, one of the two largest fur auction houses in North America, said mink prices at auctions this year were the highest ever.

Another reason for the return of fur, say people on both sides of the debate, is that Americans have grown weary of anti-fur protesters, who were often perceived as shrill and whose rhetoric often seemed peppered with contradictions.

"The anti-fur movement had its moment and did sort of spend itself," said Julia Emberley, author of "The Cultural Politics of Fur" (Cornell University Press), which will be published in December.

PEOPLE

AN attorney for **Roman Polanski**, who fled the United States 20 years ago to escape punishment for having had sex with a 13-year-old girl, has been in talks with prosecutors about his guilty plea, according to court records. The documents don't reveal the details of the meetings, but "KTLA Morning News" in Los Angeles reported that arrangements were being made to keep the film director out of jail and free to continue his career. **Deputy District Attorney Roger Gunson**, who was also the original prosecutor in the 1977 case, refused to discuss any aspect of it, and a spokesman for the district attorney's office, said, "Our position has always remained the same — that Mr. Polanski must surrender. We have not agreed to any sentence." Polanski, now 63, was indicted on six felony counts, accused of drugging and raping the girl after he contracted to photograph her for a fashion magazine. He pleaded guilty to one count of unlawful sexual intercourse with a minor and five other counts were dismissed, but he failed to show up for sentencing, and a warrant was issued for his arrest that remains in effect. The woman, now married with children and living in Hawaii, said, "I have no objections to his return to the U.S., if that is the case. I'm glad that he's worked out his legal problems."

John Schults/Reuters
Polanski, reportedly in negotiations over his 1977 plea.

□

Ivana Trump is single again. She has been granted a divorce from her third husband, **Riccardo Mazzucchelli**, an Italian businessman to whom she had been married for 20 months. She was married to Mazzucchelli after a bitter divorce from **Donald Trump**, who is now himself in the midst of divorce proceedings with his wife, **Marla Maples**.

□

The screenwriting credits on 23 films written by blacklisted writers in the 1950s during the McCarthy era, including "An Affair to Remember," have been restored by the Writers Guild of America, Bernard Weinraub of The New York Times reported. Many of these screenwriters either wrote under pseudonyms or had "fronts" — sometimes friends or relatives — whose names were used in place of the real author's. Six months ago the Guild restored the credits on 24 films. The 1957 drama "An Affair to Remember," which starred **Deborah Kerr** and **Cary Grant**, was a remake of the 1939 movie "Love Affair," written by, among others, **Donald Ogden Stewart**. He was later blacklisted, and his name did not appear on the remake. It will now be restored.

□

For decades, several versions of **The Platters** — most with at least one member of the original group — have been touring the country singing "Only You" and "Smoke Gets in Your Eyes." But a court has ruled that **Herb Reed**, who founded The Platters in 1953, has the exclusive right to use the name of the singing group. The ruling went against **Martha Robi**, the widow of **Paul Robi**, who died in 1989. Reed formed the group in 1953, and Robi joined a year later.

□

David Crosby postponed a concert tour with his son, **James Raymond**, because he requires surgery for a torn muscle in his abdomen, which he will undergo in mid-October. The announcement came just two days after the singer finished a **Crosby, Stills and Nash** tour.

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